# The China Weekly REVIEW

# 密勒氏評論報

A Weekly Newspaper Established in 1917


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| 12.20 *arr.* | Kiukiang | *dep.* 8.45 |
| 12.35 *dep.* | Kiukiang | *arr.* 8.30 |
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| 7.50 *dep.* | Nanking | *arr.* 11.05 |
| 9.40 *arr.* | Tsingtao | *dep.* 9.15 |
| 10.00 *dep.* | Tsingtao | *arr.* 8.55 |
| 11.45 *arr.* | Tientsin | *dep.* 7.10 |
| 12.00 *dep.* | Tientsin | *arr.* 6.55 |
| 12.25 *arr.* | Peiping | *dep.* 6.30 |

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| | | |
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| 9.30 *arr.* | Haichow | *dep.* 12.30 |
| 9.45 *dep.* | | *arr.* 12.15 |
| 11.05 *arr.* | Tsingtao | *dep.* 10.55 |
| 11.20 *dep.* | | *arr.* 10.40 |
| 2.30 *arr.* | Tientsin | *dep.* 7.30 |
| 2.45 *dep.* | | *arr.* 7.15 |
| 3.30 *arr.* | Peiping | *dep.* 6.30 |

N. bound on every Tuesday—S. bound on every Friday. *Stinson P.*

*E.* CHENGTU-CHUNGKING LINE *W.*

| | | |
|---|---|---|
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| 14.00 *arr.* | Chungking | *dep.* 14.30 |

Both East and West Bounds on every Monday, Wednesday, Friday and Saturday.

*W.* HANKOW-CHUNGKING LINE *E.*

| | | |
|---|---|---|
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| 9.00 *arr.* | Shasi | *dep.* 14.20 |
| 9.15 *dep.* | Shasi | *arr.* 14.15 |
| 10.00 *arr.* | Ichang | *dep.* 13.30 |
| 10.15 *dep.* | Ichang | *arr.* 13.15 |
| 12.25 *arr.* | Wanhsien | *dep.* 11.05 |
| 12.40 *dep.* | Wanhsien | *arr.* 10.50 |
| 14.30 *arr.* | Chungking | *dep.* 9.00 |

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East bound on every Tuesday, Thursday and Saturday.

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| | | |
|---|---|---|
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| 8.45 *dep.* | Wenchow | *arr.* 12.45 |
| 10.05 *arr.* | Foochow | *dep.* 11.25 |
| 10.25 *dep.* | Foochow | *arr.* 11.05 |
| 11.35 *arr.* | Amoy | *dep.* 9.55 |
| 11.55 *dep.* | Amoy | *arr.* 9.35 |
| 12.55 *arr.* | Swatow | *dep.* 8.35 |
| 13.15 *dep.* | Swatow | *arr.* 8.15 |
| 15.00 *arr.* | Canton | *dep.* 6.30 |

South Bound on every Tuesday and Friday.
North Bound on every Thursday and Sunday.

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### FALL TIME TABLE 1935

**Shanghai-Tchukuchak Line**

| West Bound | | | East Bound | | | |
|---|---|---|---|---|---|---|
| Sunday | 7.00 | Lv. Shanghai | Ar. | 16.20 | | Sunday |
| | 8.30 | Ar. | Lv. | 14.50 | | |
| | 9.00 | Lv. Nanking | Ar. | 14.40 | | |
| | 12.00 | Ar. | Lv. | 11.40 | | |
| | 13.00 | Lv. Chengchow | Ar. | 11.10 | | |
| | 15.20 | Ar. | Lv. | 8.50 | | |
| Monday & Thursday | 8.30 | Lv. | Ar. | 17.20 | Tuesday & Saturday | |
| | 11.30 | Ar. Lanchow | Lv. | 14.20 | | |
| | | Lv. | Ar. | | | |
| Temporarily Suspended | | Ar. Suchow | Lv. | | Temporarily Suspended | |
| | | Lv. | Ar. | | | |
| | | Ar. Hami | Lv. | | | |
| | | Lv. | Ar. | | | |
| | | Ar. Urumtchi | Lv. | | | |
| | | Lv. | Ar. | | | |
| | | Ar. Tchukuchak | Lv. | | | |

**Peiping-Canton Line**

| South Bound | | | North Bound | | | |
|---|---|---|---|---|---|---|
| Thursday & Sunday | 8.00 | Lv. Peiping | Ar. | 15.40 | Wednesday & Sunday | |
| | 11.30 | Ar. | Lv. | 12.10 | | |
| | 12.15 | Lv. Chengchow | Ar. | 11.25 | | |
| | 14.50 | Ar. | Lv. | 8.50 | | |
| Friday & Monday | 8.00 | Lv. | Ar. | 13.20 | Tuesday & Saturday | |
| | 9.40 | Lv. Hankow | Lv. | 11.40 | | |
| | 10.00 | Lv. Changsha | Ar. | 11.20 | | |
| | 13.20 | Ar. Canton | Lv. | 8.00 | | |

**Lanchow-Paotow Line**

| North Bound | | | South Bound | | | |
|---|---|---|---|---|---|---|
| Monday & Thursday | 12.30 | Lv. Lanchow | Ar. | 13.20 | Tuesday & Friday | |
| | 14.30 | Ar. | Lv. | 11.20 | | |
| | 15.00 | Lv. Ninshia | Ar. | 10.50 | | |
| | 17.20 | Ar. Paotow | Lv. | 8.30 | | |

NOTE:—1. Shanghai-Tchukuchak and Peiping-Canton lines are connected with each other at Chengchow, thus providing a most convenient route for Shanghai/Lanchow—Peiping/Canton.
2. Special flights to other places can be arranged only under special agreement.

## Latest New York Stock Exchange Quotations

June 26, 1935
Business Done:-
Total Volume: 1,140,000 Shares

| 1934-35 High | 1934-35 Low | Div. $ per sh. | STOCKS | Last Sale June 24 | Last Sale June 25 |
|---|---|---|---|---|---|
| 144 | 90¼ | 4.00 | American Can | 141 | 138½ |
| 22½ | 14⅝ | 0.40 | Amer. Cyanamid "B" | 22 | 21¾ |
| 13¾ | 2 | — | American & For. Power | 4½ | 4¼ |
| 38⅝ | 9¼ | — | American Locomotive | 14¼ | 14 |
| 17⅝ | 10 | — | American Radiator | 14¾ | 14⅝ |
| 51¼ | 30¼ | — | American Smelting | 42¾ | 42 |
| 130 | 99¼ | 9.00 | American Tel. & Tel. | 127¼ | 126¼ |
| 93⅝ | 67 | 5.00 | American Tobacco "B" | 92¼ | 92 |
| 27⅝ | 7¼ | 0.80 | American Waterworks | 13⅝ | 13 |
| 17⅞ | 8 | — | Anaconda Copper | 15 | 14½ |
| 73⅝ | 36⅝ | 2.00 | Atchison, T. & S. Fe | 47⅝ | 48½ |
| 35½ | 21⅝ | 1.00 | Atlantic Refining | 26¾ | 26¼ |
| 57⅝ | 15 | — | Auburn | 23½ | 22¼ |
| 24½ | 7⅝ | — | Baltimore & Ohio | 12 | 11½ |
| 23⅞ | 9¾ | — | Bendix Aviation | 15 | 14⅝ |
| 49½ | 22½ | — | Bethlehem Steel | 26¾ | 26¾ |
| 11¼ | 6⅞ | — | Boeing Airplane Co., | 7⅝ | 7¼ |
| 28¼ | 19⅝ | 1.60 | Borden Co. | 25 | 24⅞ |
| 40⅝ | 16¼ | 1.50 | Borg Warner | 40⅜ | 39 |
| 18¼ | 9⅞ | — | Canadian Pacific Railway | 10⅝ | 10¼ |
| 86⅜ | 35 | — | Case, J. I. | 57⅜ | 55⅝ |
| 49⅝ | 28 | 1.00 | Caterpillar Tr. | 49½ | 48½ |
| 40⅜ | 15⅞ | 1.40 | Chase National Bank | 25⅝ | 25⅝ |
| 48⅝ | 37¼ | 2.50j | Chesapeake & Ohio | 43⅝ | 43 |
| 60⅝ | 29¼ | 1.00 | Chrysler | 49⅝ | 48¾ |
| 19¼ | 3¾ | — | Columbia Gas & Electric | 7⅝ | 7¼ |
| 36⅜ | 15⅜ | 0.60 | Coml. Solvents | 19¾ | 19¼ |
| 3⅜ | 0⅜ | — | Commonwealth & Southern (ord.) | 1¼ | 1⅜ |
| 47⅞ | 16¼ | 1.00 | Consolidated Gas of N. Y. | 26⅝ | 25⅝ |
| 23 | 15⅛ | 0.50 | Continental Oil | 21¼ | 21 |
| 84¼ | 55½ | 3.00 | Corn Products | 76⅝ | 75½ |
| 9⅝ | 3⅝ | — | Coty Inc. | 4⅝ | 4½ |
| 28½ | 14½ | — | Douglas Aircraft | 25¼ | 25½ |
| 105 | 80 | 2.60 | Du Pont de Nemours | 104 | 101¾ |
| 23⅛ | 3¾ | — | Electric Bond & Share | 8½ | 7⅞ |
| 17½ | 3¼ | — | Fox Film "A" | 14⅝ | 14⅜ |
| 26½ | 16⅝ | 0.60 | General Electric | 26⅝ | 26½ |
| 37½ | 23 | 1.80 | General Foods | 37 | 36¾ |
| 42 | 24⅝ | 1.50 | General Motors | 38⅝ | 35¼ |
| 23 | 14½ | 1.20 | Gold Dust | 17⅜ | 16⅞ |
| 41⅜ | 16 | — | Goodyear Tire & Rubber | 18 | 18 |
| 37⅜ | 18⅜ | 0.25 | International Cement | 30¼ | 29⅝ |
| 29¼ | 21 | 0.60 | International Nickel | 27⅞ | 28 |
| 17⅜ | 5⅜ | — | International Tel. & Tel | 10¼ | 10⅛ |
| 66⅜ | 39 | 0.25 | Johns Manville | 53¼ | 51½ |
| 23¼ | 14 | 0.60 | Kennecott | 18 | 17⅞ |
| 42½ | 20⅜ | 2.00 | Loew's Inc. | 41⅝ | 41 |
| 22½ | 15⅜ | 1.20 | Lorillard | 21 | 20⅝ |
| 35⅜ | 20 | — | Montgomery Ward | 28⅛ | 27⅜ |
| 49½ | 22¼ | 1.60 | Nat. Biscuit | 30⅜ | 29⅜ |
| 48 | 16⅝ | 1.00 | National City Bank | 23⅞ | 23¾ |
| 18⅜ | 13 | 1.20 | National Dairy Prods. | 16⅜ | 16¾ |
| 31⅜ | 16 | 2.00 | National Distillers | 25½ | 25⅜ |
| 15⅛ | 5 | 0.80 | National Power & Lt. | 9⅜ | 8⅜ |
| 45¼ | 12¼ | — | New York Central | 17¾ | 17⅜ |
| 25¼ | 9½ | 1.00 | North American | 17⅛ | 17¼ |
| 25¼ | 12⅜ | 1.50 | Pacific Gas & Electric | 25½ | 24⅝ |
| 37 | 19 | 2.40 | Pacific Lighting | 36 | 35 |
| 6⅜ | 2⅜ | — | Packard Motors | 4⅜ | 4¼ |
| 29¼ | 17¼ | 1.00 | Pennsylvania Railroad | 23½ | 23¼ |
| 22⅜ | 13 | 1.00 | Phillips Petroleum | 22 | 21⅜ |
| 45 | 20⅜ | 2.40 | Public Serv. of N.J | 39 | 37⅜ |
| 8¼ | 4 | — | Radio Corporation | 5⅜ | 6¼ |
| 62⅜ | 43¼ | 3.00 | Reynolds Tobacco "B" | 51⅜ | 50¾ |
| 38⅜ | 17½ | — | Schenley | 27⅜ | 27⅜ |
| 51¼ | 31 | 0.75 | Sears Roebuck | 43 | 42¾ |
| 19⅜ | 11 | 0.60 | Socony-Vacuum | 13⅜ | 13⅜ |
| 22½ | 10⅛ | 1.50 | Southern California Edison | 19⅞ | 19⅜ |
| 33⅜ | 13 | — | Sthrn. Pacific | 18⅜ | 18½ |
| 36¼ | 7⅝ | — | Sthrn. Railway | 10¼ | 10 |
| 25¼ | 13¾ | 1.00 | Standard Brands | 16 | 15¾ |
| 17 | 1⅝ | — | Standard Gas & Electric | 4 | 3½ |
| 42⅜ | 26½ | 1.00 | Standard Oil of Cal. | 36⅛ | 35½ |
| 50¼ | 35¾ | 1.00 | Standard Oil Co. of N. J. | 49 | 48½ |
| 67 | 47½ | 3.80 | Sterling Products | 63⅜ | 63 |
| 29⅜ | 15¾ | 1.00 | Texas Corporation | 20⅞ | 20¾ |
| 43¼ | 20 | 2.00 | Texas Gulf Sulphur | 34½ | 34⅛ |
| 8½ | 5 | .12½ | Transamerica | 6½ | 6⅜ |
| 63 | 35⅞ | 1.60 | Union Carbide & Carbon | 62¼ | 61½ |
| 133⅞ | 83½ | 6.00 | Union Pacific | 106 | 104¾ |
| 15¼ | 3½ | — | United Aircraft (New) | 13⅞ | 13¾ |
| 6½ | 3¾ | — | Un. Airline Trans. | 5¾ | 5⅝ |
| 8⅞ | 1½ | — | United Corporation | 4½ | 3⅞ |
| 24 | 9¾ | — | U. S. Rubber | 12⅝ | 12⅛ |
| 59⅞ | 27⅞ | — | U. S. Steel | 33⅞ | 33⅜ |
| 21¾ | 11½ | — | Vanadium | 13¾ | 13¾ |
| 8¼ | 2½ | — | Warner Bros. Pictures | 4¼ | 4 |
| 53⅛ | 27⅜ | 0.25 | Westinghouse Electric | 53⅛ | 52¼ |

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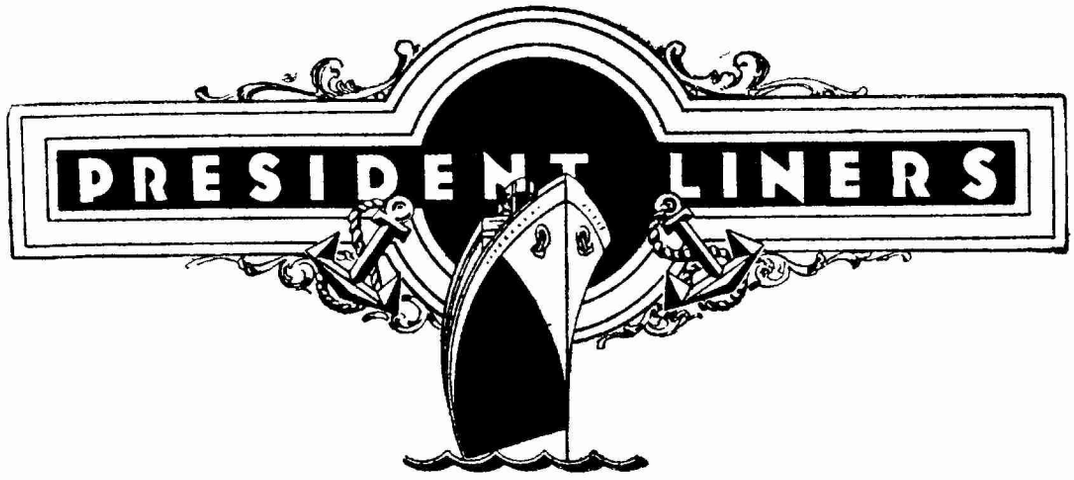


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| Pres. Hoover ..... | Sept. 10 | s.s. Pres. Roosevelt ..... | Oct. 9 |

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| Pres. Lincoln .... ..... | Aug. 31 | s.s. Berengaria ..... | Oct. 14 |

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Formerly Millard's Review

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## "MELANCHOLY STATE" AND "SIMPLY HAVEN'T THE MONEY"

TWO statements made on the same day (June 20), one by Judge Helmick in the U. S. Court for China and the other by Frank L. Hough, the liquidator of the defunct Raven institutions, furnish the genesis for this little homily. Judge Helmick gave judgment in the case of L. E. Hudec, an architect, versus Grant L. Mark. The Court held that the plaintiff had the right to collect from a $25,000 cash deposit which was in the hands of the China Finance Corporation. In the course of his judgment, Judge Helmick said,

> "Defendant testified he is virtually a pauper, possessing nothing of his own subject to execution, but lives and does business in Shanghai on money in his mother's name, under a sweeping power of attorney from her. In this melancholy state, he is restricted to membership in three clubs, and reduced to living in a hotel at a monthly expense of $2,000."

A statement issued by Mr. Hough showed that as a result of two weeks' efforts, the liquidator and his assistants had only been able to collect a little over $32,000 of the loans and overdrafts from the American Oriental Banking Corporation out of over six million dollars shown to be owing according to the books. Mr. Hough stated that a certain number of people had come forward and said they "simply haven't the money," and therefore he was going to "let loose the dogs of war."

Shanghai is by no means the only large city in the world where a large proportion of the people are living beyond their means, but there is no other place where it is carried on to the extent that it is here—this being mainly due to the fact that the facilities (and also the background) for doing so are greater in Shanghai than in other cities of the world. Mr. Mark is by no means the only Shanghailander who would plead that he is virtually a pauper although living lavishly and spending money by the thousands monthly. In his case he tried to evade paying a debt through a technicality. The people who owe the Raven bank, at least some of them, say they "simply haven't the money."

It would certainly be an interesting subject for investigation to ascertain how much of those

six million odd dollars that were borrowed and drawn from the bank—and which the liquidator now finds it so difficult to collect—went towards keeping up "face." Becky Sharp's formula for living on nothing a year—"if a smile will do the work of a shilling, spend the smile and keep the shilling"—holds good with quite a large number of people in Shanghai, unless we are very much misinformed.

## PAN-AMERICAN AIRWAYS UP AGAINST JAPANESE PRESSURE

WHOEVER that man in the U. S. State Department may have been who told the newspapermen several weeks ago that he didn't think the United States had sufficient interests in North China to take any effective steps against Japan, we venture to say that he probably didn't realize the full effect of what he was saying, or didn't appreciate the fact that it was not only America's interests in North China that were being affected by Japan's recent moves.

The latest example of the effects of the prestige which the Japanese have built up for themselves, particularly since their sudden descent on Mukden over three years ago, is to be seen in the news from Washington that the Pan-American Airways would find it difficult to find a landing place for the planes to be used in their proposed trans-Pacific service owing to pressure brought to bear on China by Japan. According to U. S. post office officials, the Chinese had refused some time ago permission to the Japanese to land their planes at Canton in a proposed Tokyo-Canton service and now the Chinese are afraid to grant permission to Americans to land planes there for fear of offending the Japanese—which is, of course, only another way of saying that the Japanese are bringing pressure to that effect. As a result, Pan-American Airways is investigating the possibility of making some other city on the Asiatic coast, for example Hongkong or Macao, their Pacific terminal. This incident furnishes one more illustration of the fact that the matter of whether the United States, or any other country, will meet the various challenges which Japan has thrown down during recent years, has to be decided on some other basis than whether its interests or rights in this or that locality have been infringed on: the question will have to be decided from the point of view of the whole Far East. In saying this, we do not wish to be understood as adopting a bellicose attitude; we merely ask that American officials should think and speak logically.

Of all American activities in the Far East, the one that the Japanese have watched with the greatest interest—apprehension, if you like—is that of aviation. Japan, as an insular nation, shares with Britain a particular interest in transport through the air. In the old days when the stirring refrain, "Britannia Rules the Waves," really meant what it said, the airplane was not a thing to be concerned about. But when the Frenchman, Bleriot, flew the Channel from the coast of France 25 years ago he gave the British such a shock as they hadn't experienced in a century. Older residents of Shanghai will tell you that even the confident British community of those days were seen to experience a shiver down their spines when the news of Bleriot's flight was received here. It was the first hint that control of the sea, even if maintained, was not sufficient. Japan likewise knows that, firm as is its control of the sea in its own vicinity may be, that in itself is not sufficient for adequate defence in these days of the heavy bombers. Japan knows what destruction air bombing can cause—from her own experience. That it was not her own people, but the Chinese in Shanghai in Chingchow, and other places, that were the victims, in no way lessened their appreciation of the value of this weapon in modern warfare.

The fact that United States airplane manufacturers have been supplying the Chinese Government with a steady stream of airplanes, many of them suitable for warfare, has been a subject of frequent unfavorable comment in Japan. Now that the American tie, aerially speaking, with China is to be strengthened by the opening of an American-owned trans-Pacific airline, the Japanese opposition to American enterprise has taken the form of putting pressure on the Chinese to put obstacles in the American path. To use a characteristic slang expression, the Japanese have got the Chinese "buffaloed." If Americans do not mind their "p's" and "q's" they will run a great risk of finding themselves in a similar position.

## "NEW ENGINEERING"

THE preference shareholders of the New Engineering Works, one of two large foreign shipbuilding and repairing concerns in Shanghai, for the first time in its history failed to secure payment of a dividend this year. The chairman, H. E. Arnhold, held out little hopes at the annual meeting of a dividend for quite some time. Mr. Arnhold is the head of the firm which manages the Works, and both he himself as chairman and his firm as managers continue to draw remuneration whether the shareholders get any money or not. When at the last annual meeting, a shareholder suggested that he and his fellow directors, in view of the unfortunate financial position of the Works, should forego their fees for the year, he spurned the idea with contempt. The preference shareholders have no voice in the company's affairs, this being a prerogative of the ordinary shares of which the Works' directors are very considerable holders. Considerable pressure is now being brought to bear on preference shareholders to exchange their shares for ordinary shares on the plea that an amalgamation with a competing concern is held up because of the preference load. Generally speaking, however, the preference shareholders take the position that they want to have some definite information as to the position, before they take action that is primarily in the interest of those who control the Works. Unfortunately for them, however, the latter hold the key to the position.

# Hayashi Says Army in Manchuria Needs to Be Strengthened Because of Bandits and Soviets

GENERAL Hayashi, the Japanese Minister of War, is convinced as a result of his tour of the former Three Eastern provinces, that the estimates in the coming budget for the Japanese Army stationed in Manchuria will have to be increased. We hardly ever have heard of any military man in any country who did not feel that his country was spending insufficient money for military purposes, but nowhere has the military voice been so insistent as it has been in the Island Empire during the past several years. When General Araki was Minister of War he had promised that in the following year there would be a substantial decrease in the sum required by the Army in Manchuria. But when the budget was passed the Army demanded an increase, and it was granted. Now another substantial increase is being asked for, and the present indications are that increasing amounts will be asked for by the Army for its Manchurian adventure year after year. The Finance Minister, Mr. Takahashi, is now going through the motions of insisting that the budget for the next fiscal year shall be limited to Yen 2,210,000,000—already a stupendous sum for a country with the limited resources of the Japanese Empire to bear—but, seeing what has happened in previous years, it may be taken for granted that in the end the War and Navy Departments will make a gesture of submission by cutting off a few hundred thousand from their estimates, and then insist that their demands in general terms shall be complied with. The Japanese War Office for the moment, is insisting upon an appropriation of Yen 550,000,000, as compared with this year's Yen 491,000,000, while the Navy Ministry is demanding Yen 700,000,000, or Yen 170,000,000 more than it had in the current year.

Military glory is being gained by Japan at an enormous economic cost, and the Japanese will have to show much greater capacity for administrative ability than they have so far displayed, or their occupation of Manchuria will bankrupt the Empire. What General Hayashi proposes in reality is to plant a very considerable standing army in Manchuria. Japan has so far not been able to do in Manchuria what the British have done in India, namely to use the troops of the home country merely as a nucleus, or a kind of stiffening, while depending mostly on the natives of the country to supply the rank and file. The two principal reasons given by General Hayashi which make it necessary to increase Japan's forces in Manchuria are: The depredations of bandits; and the fact that the Soviets have massed a huge army (240,000 men) on the Siberian border.

The Japanese War Minister was scheduled to outline his ideas at length at the third meeting of the National Policy Council in Tokyo June 28. A forecast of General Hayashi's remarks was to the effect that the conclusion of a pact of non-aggression between the Soviets and Japan will not necessarily reduce the demands of the army for huge appropriations. General Hayashi's statement is being made in connection with the study, by the Council, of the means whereby the size of Japan's national defense expenditures can be brought into harmony with the state of the Exchequer.

In a discussion of this problem by the Council on June 17, Korekiyo Takahashi, the Minister of Finance, referred to the possibility that a treaty of non-aggression night be concluded between Japan and the Soviets. Mr. Takahashi's statement immediately drew the attention of Soviet officials in Japan and Constantin C. Yureneff, Soviet ambassador to Japan, called on Mr. Takahashi for an exchange of views on June 19. On the previous day, Nicholas Rayvid, councillor of the Soviet Embassy, called on Shigenori Togo, director of the Bureau of Eurasian Affairs of the Foreign Office, for an official version of Mr. Takahashi's remarks.

General Hayashi, it was indicated by a War Office spokesman, would take the view that the War Office did not believe that Japan had yet emerged from the "state of emergency" she was plunged into soon after the Mukden Incident of Sept. 18, 1931. The spokesman said it would be very dangerous to be lulled into a false sense of security, adding:

> "Before a treaty of non-aggression can be concluded between Japan the Soviet Union, all pending problems between the two countries must be solved. This has been repeatedly pointed out by the Foreign Office authorities and we thoroughly concur in that view.
>
> "The Army fully recognizes the need for the harmonization of national defense expenditures and the state of national finances, but we cannot agree with the attitude that this harmony is to be achieved without an increase in taxation and without an increase in the national debt. The present state of Japan's international relations is grave and there are no indications that it will improve immediately. Under such circumstances it is imperative that national defense should be strengthened. Japan cannot consider a reduction in armaments at this point.
>
> "To achieve this increase in national security, positive measures in national financial planning should be adopted instead of the past passive policy advocating a sound financial status. To achieve this, a certain amount of deficit bonds must be issued. What the country needs most is a study of positive steps designed to cope with the financial situation."

Taking up, now, the other reason General Hayashi gave for the necessity for an increased appropriation, namely to cope with the bandit situation in Manchuria, it is to be noted first of all that this is an old tale. The weekly reports

given in these columns of bandit depredations in Manchuria may at times become monotonous to the reader, but the chronicling of these events will serve as a reminder that the bandit issue—no matter what definition may be given to the word "bandit"—is still a very live one in the annals of Manchukuo. There is a wide variance in the figures given as to the extent of casualties among Japanese troops in their anti-bandit campaigns. According to the *Asahi* General Hayashi was quoted as having said that twelve to twenty Japanese soldiers lose their lives daily in Manchuria; as quoted by the *Kokumin*, the War Minister put the casualties among Japanese soldiers at an average of 25 per month since the beginning of the year. Whatever the exact figures may be, the fact remains that the Japanese troops in the former Far Eastern provinces are making little headway in ousting the so-called bandits, and the latest reports are, now that the kaoliang (Manchurian sorghum) is in season, that the situation has become worse, as these irregular forces make use of the kaoliang fields not only as places of ambush but as havens of refuge when pursued. Bandit-chasing, it would seem, is a job that the Japanese troops must attend to mostly themselves. The Manchukuo forces (that is, the Chinese) are not to be depended on to any great extent for this purpose.

According to the *Japan-Manchukuo Year Book* there were 62,000 bandits in Manchuria at the time of Japan's capture of Chinchow, in January 1932, and a note says that this did not include the soldier-bandits formerly "attached to the Chang Hsueh-liang army." As the *Japan Chronicle* points out,

> "The statement does not mean that these formed a separate category, but that they did not yet exist; for a couple of months later the number was estimated at 100,000, owing to 'hostilities by the former Chang Hsueh-liang soldiers.' Not bandits attached to the army this time, be it noted. These increased by September to 210,000, but had been reduced to 66,000 in March 1933, when they suddenly increased to 105,000 through the dispersal of the 'bandit-army' by the Japanese punitive expedition to Jehol. By April 1934 they were reduced to 18,000, but for some reason unexplained increased again to 51,000 in August. There is still a lot to explain, but there is here sufficient to show that the bandits are almost entirely a post-Incident creation."

## Competition from Japanese Said Not to Be Harmful

The concurrence of British spokesmen with the contention that Japanese competition in the world market is beneficial, not harmful, provided the chief interest at the opening day of the Congress of International Chambers of Commerce, in Paris, June 24.

Lord Balfour, British industralist, cited as an example that Germany, in the 19th Centruy, made tremendous industrial expansion due to the low standard of living. Despite the prophecy that Germany would secure the bulk of the world's trade, the standard of living there rose and, with increasing wealth, the country became one of the greatest buyers of raw material. On the other hand, Lord Balfour continued, tariffs, quotas and other trade barriers conferred no benefit, and did not eliminate competition. Y. Ito (Japan) said that Japan was a debtor country and could only pay her creditors by exports. She needed raw materials. Mr. Ito appealed to the Congress to foster, not hinder, Japan's commerical advance.

# How to Save Hopei

*(Editorial Comment in the Peiping "Chen Pao")*

There is no denying the precarious position of Hopei but it is by no means hopeless. Whether it will survive the present crisis or go under depends entirely upon our own efforts. We maintain that if we want to consolidate the position of Hopei the first thing to do is to improve the civil administration. There is very little to chose between Hopei and other provinces in the matter of government: the civil administration here retains the feudal characteristics of ceuntries ago and has not yet been modernized. That such an administration is not suited to present circumstances goes without saying. In order to improve the civil administration of Hopei, the first essential is to select men of proved ability and integrity for the magistracies of the various districts. It is gratifying to note in this connection that the Hopei Provincial Administration has established an institute for the training of magistrates. The idea behind this is excellent, and provided the Administration can make full use of the men graduated by the Institute, it will not be difficult to modernize the civil administration.

Secondly, the provincial authorities should try their best to encourage industry and agriculture. The soil of Hopei is most suitable for the cultivation of cotton. Unfortunately the Hopei farmer is too conservative and ignorant to be receptive to new ideas with the result that he is unable to put his land to its best use. This, we believe, is at the bottom of the present rural distress in Hopei. Henceforth the authorities should urge the farmer to improve his methods of cultivation so that agriculture may regain its former prosperity. As regards the mining and handicraft industries, which are also experiencing a depression, the best way to revive them is to repeal some of the most obnoxious taxes and thereby reduce the costs of production of these industries. Thirdly and lastly the existing communications in Hopei should be further developed by the building of a network of highways and motor roads.

# The Rehabilitation of Hopei and Chahar

*(Editorial in "Ta Kung Pao," Tientsin)*

Since the Government has accepted all the demands of the Japanese with regard to the Hopei question, and has proceeded to carry them out one by one, one would imagine that the rehabilitation of the local situation will be taken in hand at once. But unfortunately recent developments belie this expectation. General Ho Ying-chin is still in Nanking and there is no news when he will return to Peiping to resume his duties as Chairman of the Peiping Branch Military Council. Wang Keh-min is coming as Acting Chairman of the Peiping Political Council, but since the Council has become a superfluous organ since the departure of General Huang Fu for Shanghai last spring, and since it took part in the recent settlement of the Hopei Question, his coming is not connected with the rehabilitation of the situation is North China. The existence of two councils in Peiping with the responsible head of one away in the south and the acting head of the other without authority to rehabilitate the situation, is not likely to contribute to the early restoration of confidence among the people.

Lastly we would suggest that the Hopei Provincial Administration be removed from Paoting to Peiping, as Paoting has no adequate acccommodations whilst there are many vacant government buildings in Peiping.

## Anti-Japanese Feeling in China

Grover Clark, a former editor of the *Peking Chronicle*, writing in *Current History* for June says:— "A disappointed and aggrieved man left Shanghai for Japan on April 22 in the person of Akira Ariyoshi, Japanese Minister to China. Liberal-minded himself, he had been trying to allay anti-Japanese feeling, and apparently believed that he really had accomplished something in this direction. The Japanese military authorities in the country, however, kept insisting that there had been no lessening of the antagonism except in the lower Yangtze region, where the Nanking government exercised something more than nominal authority. In order to appraise conditions, Mr. Ariyoshi called a conference of the principal Japanese consular officers in China shortly before he left. They confirmed not his hopes but the opinions expressed by the military. The Hankow and Canton consuls, according to press reports, said that in the central Yangtse and South China regions especially, the feeling against Japanese remained as strong as ever and continued to show itself in serious anti-Japanese boycott activities. Mr. Ariyoshi was much embittered, as the correspondent of *The New York Times* put it, 'over the Japanese Army's frequent thwarting of his efforts to establish cordial relations with Nanking by unheralded aggressive activities and intrigues.'"

## Conference Brings Pressure on Wine and Tobacco Tax Collectors

A conference on stamp, wine and tobacco taxes was convened in Shanghai June 20-24. A total of 35 resolutions was adopted at the first general session, which was presided over by Wu Chi-ting, director-general of the Internal Revenue Administration. Among the proposals adopted was one that a minimum limit for the wine and tobacco tax receipts from each province is to be fixed on the basis of the average receipts in each province for the past three years; on this minimum basis, reward or punishment for the revenue collection officers will be determined. Another resolution instructed the provincial wine and tobacco bureaus to draw up estimates of the receipts from the branch bureaus under their respective jurisdictions, and to submit same to the Internal Revenue Administration for approval and record.

In an address at the closing session, Dr. H. H. Kung, Minister of Finance, stated that the income of the government is derived from taxes, and the heads of the various tax bureaus should exert their efforts to introduce improvements and stamp out corruption with a view to increasing the Government revenue. He expressed the hope that they would perform their duties faithfully and act on the various measures adopted at the conference, such as the prevention of abuses and readjustment of methods of collection. He also stated that Gen. Chiang Kai-shek had paid great attention to the conference. Those found guilty of abuses would be punished, he said.

**Tobacco and Wine Taxes Revenue Falls Below Expectations**

Measures for an increase in the collection of stamp, rolled tobacco, and wine taxes were discussed last week by the directors of the tax bureaus in the ten central provinces held under the auspices of the Internal Revenue Department of the Ministry of Finance in the Customs Building. The stamp, rolled tobacco, and wine taxes collected up to March this year in Central China, with the exception of one or two provinces, fell below the mark, and some provinces received only 30 to 40 per cent of the expected amount.

**Two Chinese Banks in Peiping Close Doors**

The Tung Huan Hsiang Bank, an associated enterprise of the Chu Sheng Yuan Bank, in Peiping, suspended payment June 19. Early in the morning there was a run on the Bank, resulting in the withdrawal of deposits amounting to $200,000. The run on the bank was precipitated by the failure of the Chu Sheng Yuan Bank several days earlier. Both banks were old-established institutions.

**American Silver Policy Only Partly Responsible for China's Financial Troubles**

Prof. C. F. Remer, of the University of Wisconsin, recognized authority on Chinese finance, in an interview in Tokyo, June 21 stated that the present economic and monetary crisis in China was only partly caused by the United States' policy of raising the price of silver, the principal causes, in his opinion, being the devaluation policies adopted by various countries following Great Britain's abandonment of the gold standard in September, 1931, and the subsequent measures devised to stimulate the depreciation of their respective exchange rates, in order to acquire positions favoring their export trade.

**Twenty-Million Dollar Note Issue to Help Chinese Business**

The Ministry of Finance has decided to issue 2% treasury notes with a face value of $20,000,000 for the purpose of helping Chinese business and industry in combatting the wave of economic depression.

## Nanking Mandate Only Nominally Abolishes Export Duty Levies

The National Government June 25 issued a mandate abolishing and reducing export duties on 138 kinds of commodities, which, when enforced, would mean a reduced revenue for the Customs Administration by approximately $3,000,000 per year. Enforcement of the revised export tariff, however, is being delayed pending promulgation of regulations governing the abolition of the interport transit duties and the introduction of new sources of revenue to fill the gap caused by the reduced national income. Eighty-eight kinds of commodities, including fruits, matches, cotton-knitted goods and seagoods are competely exempt from export duties. Fifty other kinds of commodities which will enjoy lower export duties include egg, oil, and animal products.

## Original Bolshevist Foreign Policy Reversed by Pact With France

Edgar S. Furness writes in *Current History* for June:—By signing a pact of mutual assistance with France on May 2 the Soviet Union gave its foreign policy a new twist. To conclude with a capitalist State a pact that is so much like an old-style military alliance represents a complete reversal of the original Bolshevist foreign policy as derived from the tenets of communism.

## A.-O. Bank Carried Its Own Worthless Notes as "Cash"

A statement issued last week by Frank L. Hough, liquidator of the defunct Raven institutions, showed that collections of outstanding accounts had been barely sufficient to pay for the salaries of the liquidator and his staff. The exact amount taken in from debtors to the American Oriental Banking Corporation since all debts were called on June 4 is $86,782.80, of which $32,449.62 is the amount from loans and overdrafts, of a total due of $6,775,435.73, excluding affiliates' obligations. Cash in the bank has been reduced by $4,000, due to the fact that this amount is represented by the bank's own notes, for some time out of circulation, but which were being carried in the vault as an asset though they were worthless. Only $4,166.92 of the $178,749.50 due from correspondents of the American-Oriental Finance Corporation has been collected.

## The Run on the I.S.S. and Its Implications

Arthur and Theodore Sopher, who at one time were in charge of the destinies of the *China Press*, on behalf of the Edward Ezra estate contributed a long article to the *Shanghai Times* June 16 under the above heading. The last paragraph read: "The International Savings Society, of course, is not called upon to perform any more than are strictly its duties to the public, but a gesture to promote public confidence, especially in the present atmosphere, would be just as well in its own interests. It has been, after all, some time since they published the last statement of mathematical reserve investments, and it would be quite in order to apprise the public in the manner, as specified above, of the latest position of liabilities and assets.

## Finance Banking Corp. Forecloses on Mortgage Against Hugo Reiss & Co.

Judgment by default for $9,904, the amount still owing on fourteen promissory notes totalling $13,696.78, was granted the Finance Banking Corporation, Ltd., against Hugo Reiss & Co., by Judge Milton J. Helmick, in the U.S. Court for China, June 24. F. Watson, who represented the plaintiff company, also requested the Court to make a decree ordering the sale of certain property, principally motors and machinery, mortgaged to cover the loan, the proceeds of the sale to be applied to liquidating the debt, and any balance returned to the defendants. The Court granted the decree, with the usual order as to costs and lawyer's fees.

## Reduced Chinese-American Visa Fees Go Into Effect July 1

The news that a reciprocal reduction of passport visa fees has been agreed upon between the Chinese Foreign Ministry and the U. S. Department of State to be effective beginning July 1 is now confirmed. The passport visa fee heretofore has been U. S. $10 for American subjects and its equivalent in Chinese currency for Chinese citizens for entry into China and the United States, respectively. Effective from July 1, the fees will be reduced to U.S. $2.50, equivalent to $8 Chinese currency for passport visas either way. Another benefit accruing from the new revised fee is that all passport visas taken out from July 1 will be valid for a period of 12 months, whereas formerly each separate entry cost U. S. $10, and was good only for one entry. The new reciprocal passport visa fee is not subject to gold or silver rate fluctuations.

## Cheng Tien-fang and Dr. Alfred Sze Appointed Ambassadors

Two Chinese ambassadors to foreign countries were appointed by the Executive Yuan June 25. Cheng Tien-fang, president of the Central Political Academy, was appointed first ambassador to Germany. Dr. Alfred Sze, the present minister, was promoted to be first Chinese Ambassador to the United States.

**Chinese Delegates Appointed to League Meeting**

Dr. W. W. Yen, Dr. Wellington Koo, and Quo Tai-chi, Chinese ambassadors to Soviet Russia, France and Great Britain respectively, were appointed June 25 by the Executive Yuan to represent China at the forthcoming 16th General Assembly of the League of Nations at Geneva.

Mr. Quo is at present in Europe, Dr. Yen is on his way to Geneva from Moscow and Dr. Koo is leaving for Europe from Shanghai in the middle of next month.

## "Changpei Incident" Settled—Chinese Accept Japanese Demands

**The "Changpei Incident" was settled at 1 o'clock on the morning of June 27, with the complete acceptance of the Japanese demands by representatives of the Nanking government.**—*Rengo.*

## The Innocent Bystander!

**Will the Rising Sun follow the Stars and Stripes in the Philippines? This cartoon from the *Washington Herald* made that forecast. It was accompanied by the following statement:**

**"A picture and a prophecy, with the prophecy as certain as anything in human calculation.**

**"When the Flag of the United States comes down in the Philippines, the flag of Japan will go up.**

**"And it will be no part of our business to interfere if the islands are no longer part of our territory.**

**"Independence cuts both ways and will leave America independent of the fate of the Philippines."**

## United States Will Maintain Considerable Hold on Philippines

A *United Press* dispatch from Washington June 6 stated that the United States will retain considerable authority in the Philippines evenafter they have their own "President of the Commonwealth" installed in Malacanang Palace. According to present indications, the American Governor-general will step down from his seat of authority around November 15, 1935, and Manuel L. Quezon is expected to then assume the position of first President of the Commonwealth. Quezon is No. 1 figure in the islands. Full independence of the Philippines, under the most favorable circumstances, may not be achieved until at least a little over 10 years have elapsed. The transition government is "semi-autonomous," not autonomous. Part of the constitution of the Commonwealth itself consists of "mandatory" clauses, which Congress insisted must be inserted. President Roosevelt himself has declared that "during the period of the Commonwealth, there will remain with the government of the United States, authority commensurate with and necessary for or appropriate to the ultimate responsibilities of sovereignty."

### I.P.R. Secretary Says Filipinos Are More Shocked Than Pleased

W. L. Holland, research secretary of Institute of Pacific Relations, on arriving in Shanghai from Manila June 17 said that now that the Filipinos have been granted their independence, they haven't the least idea of what they are going to do with it. Mr. Holland also stated that his observations in Manila have led him to the conclusion that most of the responsible people in the Philippines are not, and never have been in favor of severing relations with the United States, and that now, even the politicians, their bluff having been called by the prompt manner in which Congress and the White House granted them their professed wishes, regret the move. Mr. Holland pointed out the fact that most of the loudest shouters for independence never believed that it would come about and that they were using the proposition merely as a rallying point around which they could gather the malcontents and others of what the late Theodore Roosevelt used to style "the lunatic fringe," for the purpose of building up their own political fences.

## United States Spent $850,000,000 on Philippines Since 1898

Senator Tydings, chairman of the Senate Territories and Insular Affairs Committee, June 21, advised Senor Pedro Guevara, Philippines Resident Commissioner, to submit the Philippine's claim for $23,000,000 which amount the Philippines allege to have lost due to the devaluation of the American dollar, to the Senate Appropriations Committee. The House of Representatives Appropriations Committee refused to include the claim in the deficiency bill. In declining to include the appropriation in the deficiency bill, the House Appropriations Committee said that the United States had cared for the Philippines excellently. The committee found "no sound reason for granting the requested appropriation," inasmuch as "the amount estimated to have been expended by the United States in behalf of the Philippines from the year 1898 to 1935 approximates $850,000,000."

## Philippines Now Produce More Gold Than Alaska

P. W. Tinan, Philippine journalist and world traveller, during a visit to Shanghai last week, stated that the gold output of the Philippines will exceed that of Alaska this year. In an address before the Shanghai Rotary Club at the Metropole Hotel last week he stated that shares in the gold company operating in the Baguio-Benguet region formerly went begging at a few cents a share; now they are selling around 30 pesos.

## Sino-Filipino Trade Group Formed in Shanghai

Acting on an understanding reached during the visit in Manila of the Chinese Trade Mission, the executive and supervisory committees of the Shanghai City Chamber of Commerce, at a joint meeting held June 26 appointed six Chinese business leaders to the Sino-Filipino Trade Committee. The six members appointed here were: Wang Hsiao-lai, Dr. C. T. Wang, former minister of foreign affairs, Yui Tso-ting, chairman of the City Chamber of Commerce, and Messrs. Wang Tien-shun, Cheng Yuan-hsing and Tai Yi-chung. Dr. C. T. Wang acted as chairman of the Chinese Trade Mission during its visit to Manila.

## Workless Filipinos to Be Repatriated from U.S.

The U. S. Senate June 25 passed a bill to repatriate unemployed Filipinos, at the expense of the United States. It is estimated that there are more than 20,000 unemployed Filipinos in America at present to be repatriated. Six years ago the trans-Pacific steamer lines were building additional third-class accommodations to carry the crowds of eager Filipinos who were flocking to the U. S.

## Frank Murphy Is Named Phillppine High Commissioner

President Roosevelt June 25 nominated Governor Frank Murphy to be High Commissioner of the Philippine Islands. His appointment, if passed by the Senate, will become effective upon the inauguration of the Philippine Commonwealth.

## Central Mint Will Close July 1 for Overhaul

The Central Mint at Shanghai will be closed on July 1, the first day of the new financial year, so that the annual report of the work of the mint can be made to the Government and the opportunity taken for the annual overhaul of its machinery.

### Korean Caught in Wholesale Silver Smuggling

More than 200 Korean silver smugglers from Peiping were arrested at the East Station in Tientsin at midnight June 20 by Japanese consular police. They were found to be carrying more than a thousand silver dollars each. The coins, totalling $250,000, were transported to the Japanese barracks by a motor truck.

## Dairen Produce Market Experiences Panic

A serious panic was precipitated in the special produce market in Dairen, June 26, following a selling avalanche by local exchange brokers. The panic, said to be without parallel in the history of the market, has reportedly brought a large number of Chinese and Manchukuo firms to the brink of bankruptcy. The continuous fall in the past few weeks of the produce prices, caused partly by the drop in quotations abroad, coupled with the money tightness of the last six weeks, were given by dealers as the chief reasons for the situation.

# Wang Says Co-operation Will Benefit China and Japan; Purpose of Nanking Warships in South Explained

HIGH LIGHTS IN THE EVENTS OF THE WEEK

1. **Nanking Officials Prefer Resignation to Signing Agreement on North China Issue.**
2. **Southern Leader Appeals to League and America for Intervention.**
3. **Nanking Declines to Confirm Terms of Settlement of Chahar Affairs.**
4. **Wang Keh-min Takes Reins of Office as Peiping Council Head.**
5. **Shang Cheng Made Hopei Chairman; Cheng Keh Tientsin Mayor.**
6. **Sun Chuan-fang Warns America and Britain to Beware of Japan.**
7. **Chiang Tso-pin Presents Credentials as Ambassador to Japan.**
8. **Admiral Chen Explains Purpose of Nanking Warships in South.**
9. **Important Military Changes in Kwangtung Contemplated.**
10. **Communists Said Preparing to Make Last Stand in West Szechuan.**

China has made considerable concessions to Japan in the Manchurian controversy as well as in the recent North China dispute in the belief that the two nations could mutually benefit by co-operation. This statement was made by Wang Ching-wei, President of the Executive Yuan and concurrently Minister for Foreign Affairs, in an interview with *Rengo* at Nanking on June 20.

"These concessions," Mr. Wang stated, "did not necessarily indicate China's cowardice. China is undoubtedly inferior to Japan in her military strength, and could scarcely wage a winning battle against the latter. Yet, our resistance would in the long run exhaust Japan. Such a state of affairs would not be of any benefit to either of the two nations. Instead we should devote our efforts to the promotion of common welfare."

Asked about the Chinese attitude towards Japan, Mr. Wang replied:

"Japan and China are closely related geographically, historically and racially. I believe that through the application of appropriate policies the two nations should be able to work side by side to mutual advantage. Japan lacks the natural resources in which China abounds. Using these Japan could make great industrial progress. The combination of Chinese natural resources and Japanese technical skill is the basis of the Far Eastern economy, and should enable both countries to reap gains."

The relations between the two nations in past years have been "regrettable," Mr. Wang continued, but declined to expand on his statement.

As a responsible official of the Central Government, Mr. Wang said, he was always striving to treat the Sino-Japanese issues in a spirit of friendship and co-operation, and added that he expected to do likewise in the future.

The current North China controversy, in the Foreign Minister's opinion, would not greatly affect the relations between the two countries.

"We should strive, however, to make impossible the recurrence of similar episodes in the future," Mr. Wang said.

He added that in his opinion the appointment of Wang Ke-min as the Acting Chairman of the Peiping Political Readjustment Commission did not dispose to the North China issue, additional suitable steps being at present considered by the Central Government.

Asked concerning the settlement of all outstanding issues, such as the readjustment of Chinese old debts to Japan or the inauguration of commercial air service between the two nations, Mr. Wang stated:

"Mr. Ariyoshi's last visit in Nanking was only for the purpose of prestnting his credentials, and we had no opportunity to discuss the pending problems. As to the adjustment of debts, all of the loans contracted by the Communications Ministry and a part of the Railways Ministry's debts have already been adjusted, and we hope to settle all the remaining debts in the same manner."

As to the inauguration of air service between the two countries, Mr. Wang said, the Government's Commission on Aviation decided in Nanchang last February that the establishment of international routes should be delayed until China's own air facilities are developed. This decision, he said, put a stop to negotiations then in progress with Great Britain and Germany, no other conversations having been conducted with any other power since then.

"Unless we reconsider the decision reached at Nanchang, we cannot proceed with negotiations on the subject with Japan," the Foreign Minister pointed out.

Asked if he agreed with the "general belief" that Gen. Chiang Kai-shek's "uncertain attitude" towards Japan has added confusion to the North China dispute, Mr. Wang declared:

"The joint circular issued last January by Gen. Chiang and myself, as well as his approval of my proposals made at the Central Political Council, demonstrate clearly his attitude towards Japan, which is not different from my own."

## TAKAHASHI EXPECTS WRITTEN AGREEMENT ON NORTH CHINA FROM NANKING

A written agreement between Japanese and Chinese authorities in regard to the North China situation is expected in the next two or three days by Major Tan Takahashi, assistant military attache of the Japanese Embassy, he declared in an interview with foreign newspapermen at Peiping June 20, reported *United Press*. Major Takahashi thinks the expected agreement will be signed at Nanking, but he professed ignorance as to the contents.

## NANKING LEADERS ARE OPPOSED TO SIGNED AGREEMENT ON NORTH CHINA

A *Reuter* report from Nanking June 21 stated that authoritative quarters there do not share the alleged expectation of Colonel Takahashi that a written Sino-Japanese agreement concerning North China will be signed within the next few days. *Reuter* understands that the Chinese authorities are firmly opposed to any written agreement or reply concerning the recent Japanese demands. The suggestion by a few individuals that a letter could be sent simply stating that the Japanese suggestions have been fully carried out is meeting with strong opposition from a majority of the Chinese leaders, who, it is learnt, would rather resign en bloc than have anything in writing. The opinion is therefore expressed that a written agreement is completely out of the question.

*Chekiai Agency* learns from unimpeachable sources that the Hopei situation continues to receive the careful attention of the competent authorities in Nanking. Any decision that will be made will necessarily have the support of all the Government leaders. The report that a majority of the high officials of the Government have resigned or are contemplating resignation is absolutely groundless. It is admitted in all circles that at this time of crisis, unity of thought and action is the paramount consideration.

## SOUTHERN LEADER APPEALS TO LEAGUE AND AMERICA FOR INTERVENTION

*Reuter* reported from Canton that Dr. Chou Lu, the President of the Sun Yat-sen University on June 19 telegraphed to M. Josep Avenol, Secretary-General of the League of Nations:—

"After the conquest of Manchuria and Jehol Japan is now commencing the absorption of North China. This is part of a predetermined scheme for the gradual domination of China.

"I, on behalf the Chinese people, appeal to the League of Nations for just and effective measures against the aggressor."

A similar message was sent to Cordell Hull, the United States Secretary of State, and will be forwarded also to the signatories to the Nine-Power Treaty, appealing to them to uphold the Pact and safeguard justice.

### SETTLEMENT OF CHAHAR AFFAIR DENIED IN PEIPING

*Rengo* reported that at a surprise meeting held in the night of June 23 at the home of General Chin Teh-hsun in Peiping, attended by Gen. Chin, Chen Chueh-sheng and Cheng Ke on behalf of Chahar authorities, and Maj.-Gen. Doihara, Col. Tahakashi and Col. Matsui, representatives of the Japanese authorities, an agreement for the settlement of the so-called "Chahar Incident" was concluded. According to *Rengo*, General Chin after offering apologies to Maj.-Gen. Doihara, signed and affixed his zeal to a nine-point memorandum.

Colonel Takahashi on the following day denied that a settlement of the Chahar incident had been reached, although he admitted that no further meetings between the delegates had been arranged.

According to *Reuter*, the terms of the settlement have been agreel upon and now only await the formal approval of Nanking. The terms submitted by the Japanese are three in number:—

1. All districts of Chahar bordering Jehol shall be policed by a Peace Preservation Corps, not by soldiers;
2. The Japanese Army shall be allowed to establish a flying-field at Kalgan; and
3. The troops of the 132 Division now stationed at Kuyuan shall be removed.

The other stipulations according to *Rengo*, are:

1. The resignation of Gen. Sung Cheh-yuan and his relinquishment of the command of the 29th Chinese Army.
2. Transfer of 132nd Division from the Kalgan area to a southwestern part of Chahar Province.
3. The dismissal of the chief of staff and of the president of the court-martial of 132nd Division as being principally responsible for the Changpei Incident.
4. A guarantee that anti-Japanese activities or any acts which may be regarded as a slight upon the Japanese shall not recur in Chahar.
5. An expression of regret on the part of the provincial authorities over the happening of the incident.
6. The removal of all cavalry forces now stationed in the area comprising Dolonor, Kuyuan, Tuhshihkou, Chichen. Yenching, Hwalai to a southwestern part of the province and a guarantee that no new forces will be brought into that area.
7. The dissolution of all anti-Japanese organizations in Chahar and a prohibition against their reorganization.
8. A guarantee against the freedom and the safety of travel by Japanese in the province.
9. The dissolution of the Kuomintang branches in Chahar.

### GEN. CHIN DECLINES OFFER OF CHAIRMANSHIP

General Chin Teh-shun, Commissioner of Civil Affairs for Charhar, telegraphed to Nanking on June 23, declining the post of acting chairman of the Charhar provincial government on the ground that he was a military man and knew nothing about politics. He urged the Central Government to find a more capable man for the office.

### NANKING REFUSES TO CONFIRM TERMS OF SETTLEMENT

*Reuter* reported that Nanking government authorities informed Chahar officials in Peiping on June 24 that they would not confirm the terms of the agreement reached between Major-Gen. Kenji Doihara, and Gen. Chin Teh-chun. This accord, the Central Authorities said, should be endorsed only by the Peiping Branch Military Council.

When informed of this development, Major-Gen. Doihara turned down the new Chinese proposal and gave further three-day delay for the Chahar authorities to secure the confirmation of the central government. Should this be refused, he reportedly informed the Chahar officials, the Kwantung Army was prepared to call off the entire agreement and reopen the whole casee.

General Sung Cheh-yuan will go to Nanking to report to the Central Government and later proceed to Chengtu to call on General Chiang Kai-shek in the near future, according to *Shanghai Mainichi*. Since the Central Government is considering the appointment of General Sung as Chairman of Anhwei Provincial Government, General Pao Wen-yueh, acting Chairman of the Peiping Branch Military Affairs Council, has been instructed to sound out General Sung's opinions on the matter.

### WANG KEH-MIN TAKES REINS OF OFFICE AS PEIPING COUNCIL HEAD

Wang Keh-min formally assumed his new office as acting Chairman of the Peiping Political Council in the morning of June 24. After his assumption of office, he addressed the staff members of the Council and urged them carry out their duties diligently and faithfully. Interviewed upon his arrival in Peiping the previous day, Mr. Wang said that no important or unexpected changes in the situation in North China were likely to take place in the immediate future. Commenting on the situation in North China, Mr. Wang situation in North China, Mr. Wang said that no definite statement could yet be made regarding the settlement of the pending diplohatic issues and the attitude of the Japanese authorities, until after his conference with Major-General Doihara, Colonel Takahashi and other Japanese officers. However, he intimated that in the immediate future no untoward changes are likely to occur.

Mr. Wang expressed satisfaction with his recent meeting with Lieutenant-General Umetsu at Tientsin and praised unreservedly General Sung Chi-yuan for his readiness to obey orders of the central government in utter disregard of his own personal interests.

### WANG DENIES ABOLITION OF PEIPING POLITICAL COUNCIL

"A denial that the Peiping Political Council was being abolished or that its existence would be the subject of discussion was made by Wang Keh-min on his arrival at Tientsin June 22. Mr. Wang emphasized his confidence that a solution of all outstanding Sino-Japanese questions would be reached in Peiping shortly.

### SHANG CHENG MADE HOPEI CHAIRMAN AND CHENG KEH TIENTSIN MAYOR

The problem of Hopei province without a responsible head since June 4, when Gen. Yu Hsueh-chung was relieved of his duties, was solved on June 25, when the Executive Yuan appointed Gen. Shang Chen, commander of the 32nd Army, to the post of Chairman of the Hopei provincial government. The Executive Yuan accepted the resignation of Wang Keh-min from his post as Mayor of Tientsin, on account of pressure of duties in his present capacity as acting chairman of the Peiping Political Readjustment Council, and, to succeed him, the Yuan appointed Cheng Keh, formerly Minister of Justice and since 1933 advisor to the Peiping Political Council. Mr. Cheng is a graduate of the Tokyo Imperial University.

### SUN CHUAN-FANG WARNS AMERICA AND BRITAIN TO BEWARE OF JAPAN

Gen. Sun Chuan-fang, one-time warlord of the five southwestern provinces centreing on Shanghai, repudiated on June 19 the use of his name in handbills and other media of propaganda in connection with an independence movement in an interview with the *United Press* at Tientsin.

"I am not interested in such proposals, and would not accept leadership of the movement if it weree offered to me," he declared. "I think the movement, moreover, is foredoomed to failure. The use of my name is probably part of a Japanese plot designed to instigate those who are dissatisfied with the Nanking Government into stirring up a revolutionary movement, and then substituting another person as head of a puppet regime."

Referring directly to recent events in North China, Gen. Sun said::—"I would advise the Americans and the British to study Japan, which is the most dangerous country. Eventually her greed will turn toward America. Japan and China are both, however, guilty of the events precipitating the present situation in the North."

### DOIHARA AVERS NO NEW DEMANDS MADE ON CHINA

In connection with repeated talk of a possible independence coup, Major-General Kenji Doihara told the *United Press*:—"The Japanese Kwantung Army is not taking any official cognizance of any independence movement. It is difficult to say what the army's position would be if such a movement were established. It would all depend on its policy and its leaders."

Referring to the North China situation in general, Gen. Doihara declared:—"The Hopei province issue virtually is settled. No new demands have been made, nor are any contemplated. Everything looks serene and quiet."

The *Nippon Dempo* reported June 17 that a movement to establish a new, independent political regime in North China, comprising the Hopei, Chahar, Shansi and Suiyuan Provinces, under General Yen Shih-shan is on foot in Peiping. The movement is in favor of amity with Manchoukuo and Japan and will form a buffer zone between Manchoukuo and Mongolia on the one hand and the Chiang Kai-shek regime on the other. The Japanese are expressing hearty approval as the most appropriate thing to be done under the present circumstances.

### PEIPING MILITARY COMMISSION TO BE MOVED TO PAOTING

The headquarters of the Peiping Branch Military Affairs Commission will be moved to Paoting from Peiping, according to *Shanghai Mainichi*.

The entire members of the Peiping Branch of the Military Affairs Commission, in a telegram to General Ho Ying-chin, Minister of war and concurrently Acting Chairman of the Commission, urge the latter to return to Peiping as soon as possible to resume his duties there.

The *Shanghai Mainichi* reported June 19 that all Chiang Kai-shek's influences in North China will be removed in the near future as soon as the Peiping Political Affairs Readjustment Council and the Peiping Branch Military Affairs Commission are dissolved.

### JAPAN TO WORK FOR JAPAN-MANCHUKUO-CHINA RAPPROCHEMENT

In an official bulletin on June 17, the Japanese military authorities at Tientsin stated that Japan's real motive is to work for the realization of Japan "Manchukuo"—China repprochement, with North China as the center of activities. The Japanese authorities are not concerned with the creation of a new North China Government or the conclusion of any agreement. The Japanese army will see that Chinese authorities carry out the demands, which they accepted.

With the transfer of the 51st Army under General Yu Hsueh-chung southward, units of the 53rd Army under General Wan Fu-ning are taking over the garrison of Paoting and the surrounding districts. The 2nd Cavalry Division of the 53rd Army under General Huang Kao-sheng has already arrived there from Hsintai, where it was formerly stationed.

Mr. Ojiro, head of the Manchuria-Mongolian Section of the Japanese War Office, left Peiping for Shih Chia Chuang on his way to Taiyuan to see General Yen Hai-shan, Pacification Commander of the Shansi Areas, on June 18 according to *Shanghai Mainichi*. Mr. Ojiro will call on General Yen Hsi-shan and find out the latter's opinion of the North China situation. Mr. Ojiro's visit to Taiyuan is closely connected with the formation of a new North China Government.

### CHINESE VOLUNTEERS IN MANCHURIA ACTIVE

The *Shanghai Mainichi* reports that Chinese in groups of ten or fifteen entered Manchuria by way of Kingchongkow in the north of Tungning district during the months of May and June. The paper says that these people are former Chinese soldiers under the command of Generals Ma Chan-shan and Soo Ping-wen. In the U.S.S.R. these Chinese soldiers joined the Soviet guards and received two years of training. These Chinese soldiers who have instructions to fight against Japan, are entering Manchuria and will be a serious menace to Japan. So far more than 200 of these soldiers have entered Manchuria and 16 of them have been arrested by the Japanese authorities.

The Japanese Kwantung Army in an official bulletin issued June 24 states that the total number of "bandits" (anti-Japanese Volunteers) in Manchuria is 28,000. The "bandits have bten organized into larger groups. These "bandits" wear "Manchukuo" uniforms, and have often been mistaken for "Manchukuo" troops. As a result the Japanese army has sustained many losses. 195 battles have been fought between the Japanese troops and the Volunteers/ in the past 6 months who number 14,537. No less that 142 "bandits" were killed in these battles. 25 Japanese soldiers killed and 75 were wounded. The number of "bandits" is increasing because of the rural bankruptcy in the villages. A large number of Communists are reported to have joined these "bandits."

14 persons were arrested by the Japanese Kwantung Army at Dairen on June 16th, according to *Shanghai Mainichi* on June 19. The 14 Chinese are believed to be a gang organized for the assassination of General Hayashi, Japanese War Minister. A number of pistols have also been seized at residences of these arrested persons.

### REMOVAL OF PEIPING UNIVERSITIES TO THE SOUTH DENIED

Presidents of the National Peiping University, Peking University, Peiping Normal College, Tsing Hua University, and other unoversities of Peiping and Tientsin have been summoned by the Minister of Education to come to Nanking to discuss the future policies of these educational institutions, reported *Shanghai Mainichi*, on June 19. According to the Japanese paper, the Ministry of Education is considering moving all the universities in Peiping and Tientsin to Nanking, as the political situation in North China is unstable.

Interviewed on his return from Nanking June 3, Mei Yi-chi, President of Tsing Hua University, said that the university would carry on as usual during the next scademic year. He denied that his recent trip to Nanking was for the purpose of discussing with the Ministry of Education there the question of removing the University to the South.

A spokesman of the Northeastern University denied the report that the University and the Northeastern Middle School will be shortly removed from Peiping to the South.

### CHIANG TSO-PING PRESENTS CREDENTIALS AS CHINESE AMBASSADOR TO JAPAN

China's first Ambassador to Japan, General Chiang Tso-pin, presented his credentials to the Emperor in the morning of June 20, according to a *Reuter* telegram from Tokyo.

General Chiang Tso-pin is planning to take a trip to China either at the end of this month or early July to make a report to the National Government.

### REPORTED SUBJECTS FOR DISCUSSION BETWEEN HIROTA AND CHIANG TSO-PING

The desire of the Nanking Government to place the Sino-Japanese relations on a "permanently friendly basis" was conveyed on June 22 to Koki Hirota, Japanese foreign Minister, by Gen. Chiang Tso-ping, Chinese ambassador at Tokyo, according to a *Rengo* report. Gen. Chiang, *Rengo* learned, asked Mr. Hirota's consent for a series of conferences to achieve a settlement of the problem by the end of this month or early in July, when the Chinese ambasador is returning to Nanking on a summons from the Home Government. Political circles in Tokyo believe that the conversations between Gen. Chiang and Mr. Hirota will be conducted along the following lines:

1. The immediate suppression of all anti-Japanese agitation throughout China.
2. The removal of factors impeding the normal development of Sino-Japanese trade.
3. The prompt inauguration of air and communications services between the two countries.
4. The Chinese authorities must withhold protection from and cease encouraging recalcitrant Koreans residing in China.
5. The readjustment of Chinese old debts to Japan.

### CHANG CHUN PUTS END TO RUMORS ON JAPAN TRIP

General Chang Chun, Chairman of Hupeh Provincial Government, arrived at Nanking from Hankow on June 24. Interviewed, he denied the rumors that he was planning to

visit Japan, saying that he had never contemplated such a trip.

### JAPAN TO PROTEST AGAINST ARREST OF CHINESE NEWSPAPERMAN

The *Shanghai Mainichi* reported on June 24 that Yuan Chao-yi, chief editor of the *China In Foreign Eyes Press* at 454A Hankow Road, a Chinese translation service, was arrested by the Blue Shirts on the charge of communism. According to Japanese reeports, Yuan was arrested primarily because of his pro-Japanese attitude. The Japanese authorities regard Yuan's arrest as being as serious as the assassination of two pro-Japanese Chinese newspapermen in Tientsin. The Japanese press director has requested Yeh Chu-tsang, director of the Publicity Department of the Kuomintang to release Yuan. According to reliable sources, Mr. Yeh notified Mayor Wu Teh-chen of Shanghai about the matter. Wang Chan-chun of the City Government of Shanghai received instructions from Mayor Wu to investigate the whole matter. On June 21, Mayor Wu told the Japanese press director that Yuan is a Communist suspect and has been sent to Wuchang for trial. The Japanese authorities are prepared to take drastic actions in regard to the matter. Yuan is a returned Chinese student from Japan. He is a pro-Japanese newspaperman in Shanghai. The Japanese will make every efforts to save him.

Miss Wang Yin, a cinema star, was arrested at the same time as Yuan. Miss Wang was, too, charged with being pro-Japanese. Wong Kwong-hui, director of the special fighting corps of the Blue Shirts in Shanghai is said responsible for these arrests.

### £1,000,000 LOAN ALLEGED TO BE CONCLUDED

According to *Shanghai Mainichi*, the Central Bank of China recently received a short term loan of £1,000,000 from the Hongkong & Shanghai Banking Corporation.

Despite the denial of the Chinese bankers, the financial market has been greatly eased by th report of this loan, to which the Japanese authorities are paying close attention.

That death penalty shall be meted out to all those who attempt to smuggle silver from Peiping was the drastic decision made at a meeting of the leading bankers there in the morning of June 21 summoned by Col. Yuan Liang, Mayor of Peiping Municipality, to discuss and devise measures for the maintenance of the financial stability in this city. This actions was taken in order to prevent further exodus of the local silver reserve and in consequence of the failure of several native banks there.

### ADMIRAL CHEN EXPLAINS PRESENCE OF NANKING WARSHIPS IN SOUTHERN WATERS

The Vice-Minister of the Navy, Admiral Chen Chi-liang, gave *Reuter's* correspondent an official explanation on June 24 at Hongkong of the presence in Hongkong waters of the six warships from Nanking and their intentions in connection with the runaway cruisers, *Haichi* and *Haishen*. He said:

"We came to Hongkong merely to conduct the *Haishen* and *Haichi* north. Our action has no political aspect, being entirely a naval matter, and it is fully supported by the Government. No affront is intended to Canton, and all the vessels here are returning to Nanking when the necessary arrangements are completed."

Admiral Chen concluded by stating that all six warships at present in Hongkong waters were still awaiting orders from Nanking. It was at present believed that the *Haishen* and *Haichi* would be allowed to proceed north with their crews intact, but their personnel would probably be broken up later and transferred piecemeal to other vessels. The report that the Nanking warships now in the vicinity of Hongkong contemplate a blockade of Canton was ridiculed in authoritative circles in Nanking, according to a *Reuter* report June 22. The opinion was expressed that the mutiny should be regarded merely as a dispute between the Canton authorities and the runaway cruisers, which the Government had been asked by the parties concerned to aid in settling.

Nanking's denial that a naval blockade of Canton is contemplated has brought considerable relief in Canton, although the continued presence of Central Government warships in southern waters is still a source of worry.

Authoritative quarters are inclined to believe that the Central Government warships have been sent down merely to escort the runaway cruisers, *Haichen* and *Haichi*, to Nanking, and to prevent their flight in any other direction during the journey north.

*Reuter* reported that the two runaway cruisers, *Haisen* and *Haichi*, which arrived in Hongkong harbor from Canton on June 19 after their dramatic escapade in the Pearl River, are to sail shortly for Nanking to serve the Central Government. This was announced in a statement to the press by Admiral Chen Ho, commander of the *Haisen*, and Captain Tong Ching-hoi, who has taken charge of the *Haichi*. Admiral Chen, in an interview, declared that the "mutineers" decided to leave Canton because they preferred to serve their country rather than an individual faction in a time of national crisis. They were communicating with Nanking, he added, regarding their future movements. A courier had been sent to appraise General Chiang Kai-shek of the recent events and to pledge their loyalty to the Nanking Government. Neither the *Haichi*, which has 650 men on board, nor the *Haisen*, which has 250 men, appears to have been badly damaged by the gunfire to which they were subjected by the Boca Tigris fort, as they fled down the Pearl River from their moorings at Whampoa. The wireless apparatus of the *Haichi*, however, was shot away by the guns of Boca Tigris. Seven of the crew of the two ships were wounded, and three of them, an officer and two men, were brought ashore in a naval launch. One of them died in the Government hospital in Hongkong June 18. With the arrival of the cruisers in Hongkong the full story of the mutiny, in which a third cruiser, the *Chaoho*, was also involved, was told for the first time. Trouble had been brewing for some months aboard the three vessels on account of pay cuts and other economies as well as dissatis faction with the general conditions of service. On June 15, the crews of the *Haisen* and *Haichi* suddenly over-powered certain higher officers who refused to join the mutiny and placed them in irons aboard the *Chaoho*. About 3.15 that afternoon the mutineers' leaders gave the order for the three ships to move off from their moorings at Whampoa and sailed for Hongkong.

Both the *Haichi* and the *Haisen*, which formerly belonged to the Northern authorities and surrendered to Canton in 1933, are very old vessels. The *Haichi*, which has a displacement of 4,300 tons, was built in 1898. Her maximum speed is 21 knots, and her armaments consist of of two 8-inch guns, ten 4.7 inch guns, twelve 3-pounders and four 7 m.m. guns. The *Haisen*, displacing 2,950 tons, was built in 1897 and is capable of a speed of 10 knots. Her armaments consist of three six-pounders and three machine guns.

Precautions have been taken by the Canton authorities against a further coup. Several new naval appointments were made on June 19, including a new commander for the gunboat *Fuyiu* as well as a new head for the Whampoa Naval Academy, where considerable concern exists regarding the fate of the 100 Cantonese cadets aboard the cruisers. Admiral Kiang Si-yuan, the Commander of the squardon to which the *Haichi* and the *Haisen* belonged, and a score of other naval officers are still detained at military headquarters pending a court-martial. Forty Cantonese naval cadets are being held aboard the runaway cruisers. *Haishan* and *Haichi*, as hostages for the safety of Admiral Kiang Si-yuan. It is also understood that Admiral Chen Ho, antonese commander of the *Haichi*, is virtually a prisoner of the mutineers, though previously it had been stated that he sided with them.

It is staed in naval circles that the departure of the two curisers will save Canton at $130,000 a month, which represents half the total of naval expenses. It is authoritively stated that the cruisers succeeded in making their escape because General Chen Chi-tang, commander-in-chief of the Cantonese forces, feeling that the warships were the nation's property, decided to refrain from taking action that might result in the destruction of the vessels.

## JAPAN TO PROTEST AGAINST NON-NOTIFICATION OF STATE OF EMERGENCY

Japanese officials have lodged a protest with the Cantonese authorities over the fact that they were not notified of the declaration of a state of emergency in the Whampoa and Bocca Tigris areas on the night of the mutiny. They alleged that the failure of the authorities to give due warning caused a Japanese warship and a Japanese steamer to sail into the danger zone.

About 40 other cadets are being still detained by the mutineers, who will probably not release them until the Cantonese authorities liberate the Northern Admiral Kiang Si-yuan.

Meanwhile, much speculation has been aroused by the sudden arrival in Canton of General Chiang Kwang-nai, former governor of Fukien, who commanded the then-famous 19th Route Army during the Sino-Japanese hostilities at Shanghai in 1932, and who figured prominently in the Fukien secessionist movement the next year.

The runaway Cantonese cruisers *Haichi* and *Haishen* still lay at anchor in Hongkong harbour on June 23 between two Nanking warships, one the *Ninghai* and the other the other the *Tungchi*, while a British destroyer rode at anchor close by. The latest suggestion advanced in Hongkong is that Nanking intends to pay off the personnel of the *Haichi* and *Haichen* and take over the vessels with skeleton crews.

The *Review's* correspondent at Hongkong reported on June 24 that the Canton authorities had disarmed and dismissed the 200 northern officers and ratings of the gunboat *Chaoho*, the smallest of three runaway northern cruizers, which could not join the mutineers last week owing to engine trouble. The armaments of *Chaoho* have been removed ashore, indicating the Government's decision changing *Chaoho* into a cadets training ship.

## OFFICERS DENY INTENTION OF JOINING MANCHUKUO

Interviewed by the *Review's* correspondent at Hongkong June 19, officers of the two runaway Canton cruizers, the *Haichi and Haishen* denied that the two ships had the least intention of joining the puppet state of "Manchukuo" or ever intended to sail for Formosa, as Canton charged. Rumors that they had been assisted by Japanese steamers when leaving Canton were equally denied. General Chen Chi-tang carried out a wholesale change in Canton's naval command without untoward developments.

## IMPORTANT MILITARY CHANCES IN KWANGTUNG CONTEMPLATED

As a sequel to the recent naval mutiny, it is reported that General Chen Chi-tang, Commander-in-Chief of the Kwantung Provincial Forces, is contemplating to effect a thorough readjustment in the political and civil administrations in the province. Among the reforms contemplated are the abolition of the present system of the Army Corps as a military unit and a reorganization of the entire military forces in the province into seven divisions and one independent brigade. All the incumbent Commanders of the present Army units are to be relieved of their duties and transferred to other posts.

It is reported that General Yu Han-mou, Commander of the 1st Army, will be transferred as Chairman of the Kwantung Provincial Government, succeeding Lin Yun-kai, who is anxious to retire. General Li Yang-chin, Commander of 3rd Army, will be made President of the Whampoa Military Academy, General Chang Ta, Commander of the 4th Army, is to be appointed Commissioner of Public Safety of Canton, while the post of the 2nd Army which is being held concurrently by General Chen Chi-tang himself, will also be abolished. General Yeh Chao, Fu Chien-hung, Li Han-huan, Teng Lung-kuang, Chen Han-kwang, Huang Jen-kwan and Miao Pei-nan have been slated as Commanders of the seven reorganized divisions and General Li Cheng-liang as Commander of the independent brigade.

## CANTON RECALLS TROOPS FROM KWANGSI

Cantonese troops stationed on the Kweichow-Kwangsi border are being recalled, in consequence of recent developments arising out of th naval mutiny, *Reuter* reported from Canton June 22.

The 5th Division has already started its march back to Kwangtung, while the 6th Division is expected to start at any moment. Meanwhile Kwangsi forces are also being recalled from Kweichow.

The arrival of so many Nanking warships in the vicinity of Hongkong, together with the report that a complete understanding has been reached between the Nanking naval authorities and the mutineers' leaders, has caused great alarm in Canton.

It is feared that the warships may have a mission of far greater significance than that of merely escorting the runaway cruisers, *Haishen* and *Haichi*, to the north, although that was the avowed purpose of the *Ning Hai's* visit.

The Canton authorities, while deeply concerned over the concentration, decline to comment, but it is generally admitted that the situation is fraught with dangerous possibles.

## KWANGTUNG STRENGTHENS BORDER DEFENCE

It is reported that the 5th (Kwangtung) Division. which has been recalled from Kweichow, will be stationed in the West River area, while the 6th (Kwangtung) Division will be used to strengthen the defense system along the northern province. The 5th Division has arrived at Liuchow, while the 6th Division has reached Hohsien. They form part of the Kwangtung troops recalled from Kwangsi and Kweichow. Meanwhile, the Chinese press reports that the authorities have ordered additional artillery and machine-gun units to proceed to the Bocca Tigris forts to strengthen the garrison there.

An unusual spectacle was witnessed in Canton in the night of June 24, when seven military planes flew over Canton, their lights dotting the darkness and the roar of their engines echoing through the city. The purpose of the fight cannot be ascertained, but it is believed that it was in the nature of a drill. A similar flight took place during the night when the cruisers *Haishen* and *Haichi* mutinied and set sail for Hongkong.

## SOUTHWEST LEADERS PLEDGE ALLEGIANCE TO GEN. CHIANG KAI-SHEK

Full and unwavering allegiance to General Chiang Kai-shek, President of the Military Affairs Commission, has been pledged by the three Kwangsi leaders, Generals Li Tsung-jen and Pai Chung-hsi, respectively Commander and Deputy Commander of the Kwangsi Provincial Forces, and General Huang Shu-chu, Chairman of the Kwangsi Provincial Government, in their recent telegrams to General Wu Chung-hsin, Chairman of the Kweichow Provincial Government, denying the rumors that the Southwest is planning military action against Nanking.

## KWANGTUNG AVIATION HEAD ARRESTED

Kwan Jung, director of the General Affairs Department of the Kwangtung Aviation Administration, has been arrested by order of General Chen Chi-tang, commander-in-chief of the Military Forces of Kwangtung, on the charges of misappropriation on aviation funds to the amount of more than $100,000, according to *Central News*.

## REDS PREPARING FOR LAST STAND IN SZECHUEN

Communists captured by the Government forces state that about 3,000 Reds are digging-in near Tayakou and other places south of Peichuan, western Szechuan and have expressed their determination to hold their position there at all costs. They are also reported to be endeavouring to placate the tribesmen in order to secure their assistance.

Refugees from Mowhsien state that there are large numbers of Reds there and at Chienfushan. The outlaws are continuously moving down-river from Wenchwan. The Government troops have forced their way over the river not far from Peichouan and have captured Soonglungshan. The Reds are retrating with the Government forces in pursuit.

The Communists in the north of Yenchingping and at Pohsing, were defeated during an engagement which lasted until 9 a.m. on June 20. They suffered heavy casualties and their chief-of-staff and many officers were captured.

## Italy Intends to Assume Sovereignty in Abyssinia

It was reported from Rome June 24 that Italy intends to demand actual sovereignty in Abyssinia. Further, if necessary, she is prepared to use armed force to accomplish this. It is understood alao that Premier Mussolini is using the Anglo-Genman naval agreement as partial justification for such action. In view of these developments the conversations between Anthony Eden, British Secretary for League of Nations Affairs, and Premier Mussolini were watched throughout the world with enormous interest. It is reported that Premier Mussolini's plan of procedure is based on the grounds that Abyssinia, when being admitted to the League of Nations, agreed to abolish slavery and to establish a firm central Government, and this she has not done. The Moslems of Somaliland are preparing to go to the help of the Abyssinians.

**President Signs Bill Providing Twenty-Four New Warships for U. S. Navy**

The House of Representatives June 21 approved the naval report of the joint conference which was passed by the Senate on May 24. The Bill was signed by President Roosevelt June 25. The measure calls for an expenditure of $471,690,000, which includes an increase of $11,690,000 voted by the Senate in order to finance the beginning of construction on the 24 new warships provided for in the Bill.

**Soviet Fleet Engages in War Practice on Black Sea**

A squadron of the Black Sea fleet carried out fighting practice on the open sea with all types of warships, submarines, aerial forces and shore defence last week. Commander Kojanov of the Black Sea fleet directed the practice.

**Britain Will Be Less Indulgent Regarding Japan, London Paper States**

The London *Star* June 22 stated that a less indulgent attitude would be shown by Great Britain in regard to Japan's action in China, as a result of the replacement of Sir John Simon by Sir Samuel Hoare at the head of the British Foreign office.

**British Foreign Secretary Urges Collaboration with Japan**

An assertion that Great Britain regarded a proper understanding and collaboration with Japan as essential not only to the stability of Asia but to the prosperity of the whole world was made by British Foreign Secretary Hoare at a dinner given by the Japan Society in London, June 19, in honor of the Japanese Ambassador and Mrs. T. Matsudaira, who are returning to Tokyo shortly: "We are very conscious of the fact that we have many things that matter most in the world in common. We, both great island Powers, still have the inestimable blessing of a hereditary monarch. We are two very enterprising races, rightly determined to leave our mark in the history of the world. Sometimes difficulties may arise, but let us discuss them as friends anxious to understand each other's point of view."

Mr. Matsudaira, replying, said that the friendship between Great Britain and Japan had stood the test of time and was firmly established now as traditional.

**Japanese Navy Suspects Britain Is Trying to Bring Pressure on Japan**

The Tokyo *Nichi Nichi* June 17 comments:—"It is clear that Great Britain, following her recent conclusion of naval talks with Germany, intends to conduct bilateral negotiations with France, Italy and Soviet Russia, etc. The Japanese Navy suspects that the British move has the intention to adhere to the ratio principle and extend a joint front in bringing pressure to bear on Japan's claims."

**Japan Informs England of Opposition to Ratio Scheme**

Japan's determination to oppose the naval ratio scheme was reiterated in a note handed to the British Government on June 13 by Tsuneo Matsudaira, Ambassador to the Court of St. James. The note was in reply to a British inquiry as to the reaction of the Japanese Government to the proposal to permit Germany to have a navy equivalent to 35 per cent of Great Britain's strength. The Japanese note declared that the Government was not immediately concerned with the Anglo-German naval conversations, but that its policies would in no way be bound by any accord reached in London.

**British Naval Attitude Open to Criticism, Tokyo Avers**

Alleging that Great Britain was seeking to apply a "localized ratio system" for the limitation of naval armaments, a spokesman for the Japanese Foreign Office June 20 asserted that such efforts would be open to "stern criticism" by Nippon.

**"Realities, Patience and Sincerity"**

The Tokyo *Yomiuri* comments:—"The three world problems of the present day are the impotency of the League of Nations, Powers' disarmament conference after the Anglo-German naval agreement, and Sino-Japanese negotiations. The keys to the solution of these are respectively: Proper cognizance of realities, patience, and Chinese sincerity.

## Is a Japanese-German Alliance in the Making?

A *United Press* message from Washington June 25 stated that the United States Government is giving special attention to reports of Japanese gestures towards a possible European military alliance. In State Department and War Department circles, the possibility of such an alliance between Japan and Germany is considered to be one of the most important recent developments in international affairs. Realization of such an alliance between Nazi Germany and the dominant Asiatic power, in the opinion of observers in Washington, might lead to an entirely new alignment of military and naval power as between the East and the West.

In discussions of present Japanese-German relations in Washington it was pointed out that there is apparently a natural affinity between the military elements of the two nations. It is recalled that Japan's modern army was established originally after the German model and that for many years following the Japanese Restoration most of Japan's army officers who studied abroad went to Germany for that purpose. Washington officials were reported as not being at all surprised by Tokyo dispatches reporting that an important German good-will mission is soon to make a visit to Japan, nor would they be surprised if a treaty of mutual assistance were concluded by the two countries soon.

## Germany Renounces Unrestricted Submarine Warfare

Germany has agreed never again to resort to what was known during the War as unrestricted submarine warfare, declared Sir Bolton Eyres-Monsell, the First Lord of the Admiralty, amid loud cheers when questioned in the House of Commons June 25 by Vice-Admiral Gordon Campbell, concerning the Anglo-German Naval Agreement. The First Lord said the German representatives, during the negotiation of the agreement, stated that Germany was prepared, unreservedly, to adhere to the rules of submarine warfare set out in part four of the London Naval Treaty.

This provides that, except in cases of persistent refusal to stop on being duly summoned or of active resistance to a visit or search, a warship, whether a surface vessel or a submarine, may not sink or disable merchant vessels without having first placed passengers, crew and ships' papers in a place of safety.

## London "Daily Mail" Says England Is Little Concerned as to China's Fate

The London *Daily Mail* June 25 declared that what happens to China is a matter of but secondary concern to Great Britain, adding:—"From Great Britain's point of view, it is just as well that Japan should be in North China, because her presence there is ending anarchy." The paper went on to define the attitude of England towards the Orient, saying that "British policy in Eastern Asia should be confined to a resolute defence of British interests in the zone West of Singapore, avoiding any entangling enterprises which might appear hostile to Japan in Manchukuo or to Japanese possessions. No threat of an economic blockade or any other League of Nations foolishness will succeed in dislodging Japan from her stand in Manchuria. She is there because it is a matter of life and death to her people to have access to Chinese markets, and because her food supply depends on Manchukuo."

## How the World's Navies Stand

According to investigations made by the Japanese Navy Department, the total tonnage of the vessels afloat of the principal naval Powers on May 23 was as under:

The figures asterisked represent the tonnage of aircraft carriers not covered by the Armaments Limitation Treaties.

| | *Capital ships* | *Aircraft carriers* | | *Cruisers* | *Destroyers* | *Submarines* | *Total* |
|---|---|---|---|---|---|---|---|
| JAPAN: | 272,070 | 68,370<br>*31,050 | A.<br>B. | 107,800<br>90,255 | 116,934 | 66,879 | 753,367 |
| BRITAIN: | 474,750 | 115,350<br>*11,700 | A.<br>B. | 183,396<br>167,450 | 199,394 | 56,969 | 1,209,009 |
| AMERICA: | 455,400 | 92,000<br>*58,650 | A.<br>B. | 142,425<br>70,500 | 257,580 | 69,230 | 1,145,785 |
| FRANCE: | 185,925 | 22,146<br>*10,000 | A.<br>B. | 105,923<br>51,814 | 106,723 | 83,890 | 566,421 |
| ITALY: | 86,532 | * 4,882 | A.<br>B. | 97,342<br>52,678 | 84,462 | 46,204 | 372,100 |
| GERMANY: | 59,600 | — | A.<br>B. | —<br>33,050 | 18,934 | — | 111,580 |
| SOVIETS: | 93,480 | 28,000 | A.<br>B. | —<br>34,780 | 27,000 | 64,400 | 247,660 |

# Japanese Army and Navy Ask for Greatly Increased Appropriations for 1936-1937

GENERAL S. Hayashi, Minister of War, disclosed June 21 that his Office proposed to ask for a sum ranging between Yen 500,000,000 and Yen 600,000,000, for the 1936-1937 fiscal year—which is almost Yen 100,000,000 more than this year's appropriation of Yen 491,280,000. While Navy authorities maintain discreet silence, high officials have stated that the sea arm will not reduce its demands upon the national treasury, but rather increase them, probably in the same proportion as the Army. The Navy this year will spend Yen 530,000,000. Representatives of both services insist that the "emergency period," which Japan entered in 1931, has not yet passed, but that the international situation is becoming increasingly threatening. The Army envisages a new two-year program for the "strengthening of national defence and the purchase of fighting equipment," to cost Yen 200,000,000. A similar three-year program will be completed this fiscal year. Besides this sum, the Army is asking for Yen 86,000,000, representing the latter half of a two-year emergency program for the strengthening of the air force. Maintenance of the Kwantung army in Manchukuo will require more than Yen 150,000,000, which is more than the amount provided for in the current budget. This continued huge expenditure is being asked by the War Minister on the basis of his observations during his recent three-week trip in Manchuria.

Conclusion of a pact of non-aggression between the Soviets and Japan will not necessarily reduce the demands of the army for huge appropriations. This will be the tenor of the statement to be made end of this week by Gen. Senjuro Hayashi, Minister of War, before the National Policy Council. "It is a mistake to believe, as some persons are inclined to do, that an immediate reduction in national defence expenditures is possible as soon as a non-aggression pact is concluded between Japan and the Soviet Union," the spokesman said. "The permanent character of national defence must always be borne in mind."

### New Destroyer for Japanese Navy Launched at Osaka

The *Murasame*, a first class destroyer of the *Hatsuharu* class, constructed under the first naval replenishment program, was launched at the Nagata Dockyard in Osaka June 20. The new vessel, which was laid down on February 1, 1934, displaces 1,368 tons and was designed to develop 34 knots. The main armament of the ship consists of five guns of 12.7 centimeters, eight torpedo tubes and two searchlights. The *Murasame* is scheduled to be completed early next year.

### Kangte's Relatives to Graduate from Military School in Japan

Emperor Hirohito will personally attend the graduation ceremonies of the Military School in Tokyo June 29, when 231 cadets, including two relatives of Emperor Kangte of Manchukuo—Pu Chieh, younger brother of the Manchukuo Emperor, and Jun Chi, the Emperor's brother in-law—receive their diplomas.

### No Anglo-American Joint Protest Against Japan's Moves

The Tokyo *Asahi* June 19 commented:—"Judging from the attitudes so far maintained by the governments of the United States and Great Britain regarding the North China situation, the Foreign Office is convinced that the two governments will not find it necessary to address a joint protest to Japan."

### Japan to Send Unofficial Economic Mission to Russia Next Fall

The Japanese Foreign Office is now advancing preparations for the dispatch of an unofficial economic mission to Soviet Russia next fall with a view to promoting future Soviet-Japanese trade relations. The plan is to include first-class businessmen and industrialists in the Kwansai in the mission, including Yakichi Ataka and Yunosuke Kurimoto of Osaka, and businessmen and engineers engaged in heavy industries and chemical industries of Osaka and Kyoto. In recent years Soviet-Japanese trade has been on the decrease. Last year Japan imported Yen 40,800,000 worth of goods from Soviet Russia whereas Japan exported to the latter only Yen 13,000,000 worth of goods.

### Japan's Trade With Manchuria Shows Favorable Balance

Japan's trade with Manchukuo, the Kwangtung leased territory, China and Hongkong in May resulted in a favorable balance of Yen 36,663,000, with exports totalling Yen 65,407,000 and imports, Yen 28,744,000, according to a report by the Tokyo Finance Ministry June 10.

### Government Aids Japanese Shipping Lines Against Netherlands Line

A new joint shipping company has been created in Japan under Government auspices to fight the Netherlands line to the N.E.I. By means of this united front and with financial aid from the Government, which already subsidizes all ships operating between Japan and the N.E.I. at the rate of Yen 260,000 a year, the Japanese shipping companies hope to take away a majority of the cargo shipments to Java and adjacent ports.

### Japan Seeks Immediate Abolition of Canadian Trade Restrictions

Immediate abolition of the restrictions being imposed by the Canadian Government against Japanese goods was asked by Mr. Kato, Japanese Minister in Ottawa, in a note handed the Dominion Government June 21.

### "Comet" Gasoline Train Does 118 Miles in 2 Hours 36 Mins.

A newly designed gasoline "Comet" train in a test run June 18 between Nagoya and Osaka covered 118 miles in 2 hours 36 minutes. The train consisted of two cars, stream-lined, with duralumin bodies.

### Press Ban Lifted on Wholesale Drive Against Reds in 1933

The press ban was lifted June 15 on the Communist Affair in Kyushu, known in some quarters as the February 11 Affair, in which 323 arrests were made in Fukuoka Prefecture, among which 50 were prosecuted. The wholesale arrests took place February 11, Empire Foundation Day in 1933. The roundup of the Communists, which was conducted by the Tokkoka, or the Special Service Section, of the Fukuoka Prefectural Police, was on the largest scale ever held in the island. The arrests were made in four sections, on Fukuoka, North Kyushu, which is one of the centers of heavy industry in Japan, the Chikuho District, which is very rich in deposits of coal, and Kurume City, it is further reported. The hearing of criminals involved in the Communist Case was finished, with the exception of three Reds, on June 5 at the Fukuoka Local Court.

After the round-up of the Communists in February, 1932, the Japan Communist Party dispatched a certain Sakada, an organizer of the party, to Kyushu in an effort to re-establish the party's influence. Contact was eventually established between the organizer and Kan Yoshida, an organizer of the Zenkyo, or the National Council of the Labor Unions of Japan, an organ under the influence of the Japan Communist Party, who was at that time leading a preparatory committee for the organization of a Kyushu Branch of the Zenkyo.

With this contact established, activities were developed in Kyushu for the organization of the Kyushu Committee of the Japan Communist Party. These activities came to the knowledge of the police authorities and hence the wholesale arrests.

Thirteen out of 50 prosecuted were given sentences of penal servitude ranging from six years to one-and-a-half years. One man died in jail pending sentence.

### Japanese Publisher Arrested on Half Million Yen Forgery Charge

Hiding in a truck, which was taking paper from Osaka to his hiding-place—the Kanagawa Hotel in Yokohama—Osaka detectives last week caught a missing Shikoku book-store proprietor, wanted for forgery. The arrested man is Nakajiro Miyawaki, managing director of the Kagawa Kyoiku Tosho K. K., and a Director of the Shikoku Kyoiku Tosho Maisha—the biggest publishers on Shikoku Island. Miyawaki forged and sold share script to a value of about Yen 150,000, and also issued bogus cheques to a value of over Yen 300,000.

### Would-Be Assassin of Publisher Gets Three-Year Jail Sentence

Katsusuke Nagasaki was sentenced June 19 to three years imprisonment for an attempt to assassinate Matsutaro Shoriki, publisher of the *Yomiuri Shimbun*, Tokyo's third largest daily, on February 22 last.

### Second Kwammon Tunnel Plans Are Disclosed

Ambitious plans for a vehicular and pedestrian tunnel linking Honshu with Kyushu island, the southwestern end of Japan Proper, were made public in Tokyo June 20 by the Ministry of Home Affairs. If realized, this will be the second project of its kind, the Ministry of Railways having recently announced its intention to build a 1,600-meter undersea bore at an estimated cost of Yen 1,800,000 to connect Moji and Shimonoseki.

Approval of the Army General Staff, the Navy and War Ministries for the vehicular tunnel project has already been secured, the Ministry of Home Affairs announced. This was necessary because the Hayatomo Narrows comprise one of the most heavily fortified zones in Japan, it was explained.

### Osaka Police Probe Gigantic Rice Scandal

Under orders of the Justice Office, detectives of the Osaka prefectural government have launched secret activities with Osaka as the center as the result of the authorities scenting a gigantic scandal in connection with the disposal of the government stocks of rice. The Osaka office of a certain organization and some of its members, it is suspected, bribed powerless farmers and members of agricultural associations to make false applications for the grant of government stocks of rice, and obtained a large quantity of rice at a low price, making a large profit by selling it to other sources instead of relieving the impoverished rural communities.

### Nichiren Priests Swindled With Fake Treasures

The Reverend Shoryu Mihashi, head priest of the Honjo Nichiren Church, was visited on May 25 by a man who claimed to be the chief priest of a Nichiren temple in Shizuoka. To help in rebuilding his temple, he wished a loan of Y1,000, for which he would give as security an autograph of Saint Nichiren and a Buddhist image which he said were national treasures and worth about Yen 300,000. The credulous Mihashi sold all of his property, keeping out only his Buddhist robe, receiving Yen 1,100, which he handed over to the visitor. Later Mihashi came to the conclusion that there must be something wrong about the transaction. When the same man again visited Mihashi, this time with a Buddhist image, on which he wished a loan, he called in the police. The bogus priest confessed to having faked images and paintings with which he had swindled Nichiren priests in the Kwanto district of more than Yen 10,000.

### Seiyukai May Exclude Genro and Other High Officials Close to Throne

The campaign proposed by Fusanosuke Kuhara, leading member of the Seiyukai, to exclude the Genro (Elder Statesman) and other high officials close to the Throne has evoked much attention both in and outside the Seiyukai. Dr. Suzuki, President of the Seiyukai, has come out in full support of Mr. Kuhara's stand, announcing his attitude on the issue as follows:—"We do not support personal attack from the standpoint of political morals, but the argument which is now gaining ground within the Seiyukai in favor of excluding the so-called Genro bloc recognizes the bottom-current of the thought of the elder statesmen as unsuitable to the present conditions of Japan and intends to correct it. The Seiyukai, which advocates a positive policy, has to reach such a conclusion."

### Genro Schemes New Genro Bloc

Teito *Nichi Nichi* comments:—"Much grieved at such issues as the dual diplomacy revealed recently in the North China situation, Prince Saionji, the Genro, and his circles close to the Throne are now actively making plans for the future. The Genro considers the Okada Cabinet too weak to go through the future international crisis safely. It is stated in this connection that considerable progress has been attained in the secret plan to reconstruct the Cabinet with men affiliated with the Genro and his circle as the leading members. One of the crises of the Okada Cabinet is regarded as the development of the case arising from the theory of Dr. Tatsukichi Minobe that the Emperor is an institution. The retirement of Baron Ikki, president of the Privy Council, and Count Makino, Lord Keeper of the Privy Seal, are regarded as foregone conclusions. In their places Baron Wakatsuki, former Premier, and Admiral Saito, also former Premier, are destined to be appointed as chief of the Privy Council and Lord Keeper, respectively."

### Trial Begins of Kuroda (Teikoku Rayon) Scandal Case

An airing of what the Japanese press termed the greatest scandal in the history of modern Japanese Government was commenced June 22, when the Tokyo District Court began the hearings of the Teikoku Rayon Company's case. Although the case had its origin as far back as 1927, first arrests were not made until April of last year, when Baron Nakajima, Minister of Commerce in the Saito Cabinet, Chuzo Mitsuchi, former Railways Minister, and Hideo Kuroda, former Vice-Miniater of Finance, were imprisoned by the Procurator's Office. All three were released on bail in October and December of last year.

When the Bank of Taiwan was compelled to take over the firm of Suzuki & Co., Kobe, until then directed by Mrs. Yone Suzuki, Japan's counterpart of a modern Hettie Green, in the 1926 financial crash, the assets included 220,513 fifty-yen shares in the Teikoku Rayon Company and 270,000 fifty-yen shares in the Kobe Steel Works. The rayon shares were quoted around Yen 47 in 1927 but rose as high as Yen 195 in 1933.

Judicial authorities allege that those involved in the scandal combined in 1933 to depress the market price to Yen 125 and then illegally purchased 110,000 Imperial Rayon shares from the Bank of Taiwan, making an illicit profit, said to have totalled Yen 1,402,000.

As the permission of the Ministry of Commerce was needed to market the shares, three of the defendants, according to the indictment, approached Baron Nakajima with an offer of Yen 10,000 in cash and 300 shares of the Teikoku Rayon Company. The bribe, according to the prosecution, was accepted.

Mr. Mitsuchi, according to the prosection, acted as a go-between in the transaction, allegedly receiving for his labors 300 shares. Mr. Kuroda is charged with having accepted 400 shares from three other defendants. For some time after the arrests began, the Saito Cabinet remained in office, but finally resigned, giving place to Admiral Okada's Government. A battery of 53 of Japan's leading lawyers is conducting the case for the defendants.

## Japan's Stand Defended by Ex-Premier Wakatsuki—Says Others Would Do the Same

Baron Reijiro Wakatsuki, in an address to the people of the United States, published last week said: "I cannot help believing that if you were in our place you would be doing exactly what we are doing today." The Japanese are an energetic people, Baron Wakatsuki says in the article, and with the United States, Canada and Australia closed to them, they naturally began to expand in the direction of Manchuria, which lies next to Chosen.

"It was as well because of our concern for the peace of East Asia as because of our conviction that our only path of progress lay on the continent of Asia that at the time of the Manchurian Incident our nation rose spontaneously as one man to grapple with the situation. The Manchurian Affair was really a life-or-death struggle for Japan", the Premier declares. He attributes the flow of Japanese goods abroad in the last few years not only to their high quality and low price, but also to the Chinese boycott, which was declared by the League of Nations a legitimate means of reprisal. "There are those", the writer says, "who accuse Japan of attempting to close China to other Powers, but it was, at a matter of fact, Japan who was shut out of China".

Commenting on the restrictions adopted by various European powers against the imports of Japanese goods, Baron Wakatsuki says that these governments "are sacrificing the interest of the large number of consumers in order to protect a few producers."

In the interest of world peace and harmony, the writer declares, those nations which, like Japan, are showing rapid economic progress, should be given an adequate sphere of activity and expansion.

## Japanese and Koreans Carry on Libellous Campaign Against Corn Products Manager

Mimeographed pamphlets in English containing a libellous attack on R. S. K. Irwin, managing director of the Nippon Corn Products Company, were distributed in Osaka June 18 requesting support for a public meeting. Mr. Irwin, it will be remembered, figured together with two of the company's employees in a sensational incident in Osaka last February when three Americans were roped up by the police and marched through the streets of the city, following a scene in his office when a Korean claimed Yen 100,000 in connection with an alleged sale of property by Mr. Irwin's father at the time of the Russo-Japanese war. The pamphlet contained the following libellous accusations:—"Father: Late Dr Irwin, who, under the cloak of a fame of a missionary, outraged women and who seized upon a myriad inheritance from one of our best friends, whose family have been led to the poor life of hunger and thirst, was expelled from the church under the crimes of 18 clauses accordingly. Son: R. S. K. Irwin, the president of the Nihon Kokusan Kogyo Kabushiki Kaisha, living in the present grand style with the money, a mass of crimes, obtained by his father persistently dared to commit upon our friend atrocities of an infringement of personal rights in order to cover up his father's crimes."

## The Anti-English Trend in Japan

The *Japan Advertiser*, in an editorial under the above heading, says: "By all accounts, teachers of English, eminent and otherwise, will be busy during the summer holidays in endeavoring to combat the anti-English trend which is once more observable in educational policy. Two prefectural authorities abolished English completely early this year in certain types of schools, and several others have followed suit with reduction of the hours devoted to English teaching, all with the consent of the Ministry of Education, although both the reductions and abolitions would seem to be in violation of the Ministry's own regulations for the teaching of English and other foreign languages. It is naturally feared, therefore, that the whole structure of English teaching throughout the country now lies under a threat from local action.

## 10,000 Hawaiian-Japanese Greet Japanese Cruisers at Honolulu

The Japanese training cruisers *Asama* and *Yakumo*, carrying 174 cadets, including Prince Tadahiko Asaka and Prince Hirohide Fushimi, were greeted on their arrival in Honolulu July 15 by 10,000 Japanese, including women with babes in arms, many of whom had walked for miles to the dock. Consul-General Tamura, speaking aboard the *Asama* described to the cadets the part Japanese have played in Hawaiian industry and said that they are happy in Hawaii. He pointed out that the unemployment problem among Hawaiian-Japanese is negligible.

# After Gen. Sung Chi-yuan, Who Next?

BY PAUL K. WHANG (王仲芳)

THE old sad story has been retold. In bowing her head before the all-powerful Japanese Army, China has not only lost her important "face," but also her inalienable rights in North China. Generals Yu Hsueh-chung and Sung Chi-yuan, two principal thorns in the Japanese side, have been either transferred to a remote corner or totally dismissed, so that hereafter they will not be able to interfere with the free movements of the Japanese troops in North China. All the organizations, which are alleged to be engaged in anti-Japanese activities, are being closed down, and all the forces of the Central Government and also those belonging to the former Northeastern Army are being evacuated. The war clouds which were gathering thick a few days ago have been somewhat dispersed, and the storm which seemed to be imminent has been temporarily kept in abeyance, but be it noted that the war clouds, though dispersed, have not yet been totally blown off, and so the storm may still break out at any time.

In taking advantage of the hopeless and helpless position which China now occupies, the Japanese warlords have seemed to be determined to consolidate their position in North China and to extend their influence to the south of the Yellow River. The more readily the Chinese officials accommodate them, the harsher they will make their demands and the more insatiable their thirst will become. Nothing but concerted action on the part of the United States and Great Britain can do something to thwart this Japanese menace to world peace and save China from a fate which is now hovering over her head.

### Japanese Warlords Always Pick Scapegoats

It is interesting to note that in pursuance of their policy of aggression against China, the Japanese warlords have never failed to pick scapegoats as excuses of their military actions. First, in order to justify their forcible occupation of Manchuria, they pointed a finger of accusation at Gen. Chang Hsueh-liang and charged him with the responsibility of the Manchurian Incident because of his insincerity in dealing with the Japanese. Then as a measure to make the world believe that their military drive into Jehol and North China was for no other but self-defence purpose, they again accused the Young Marshal as the principal instigator of all the volunteer activities in Manchuria and ousted him from North China. Now for the purpose of paving their way for the incorporation of North China into "Manchukuo", they have made make-believe charges against the so-called anti-Japanese generals and forced the Chinese Government to transfer Gen. Yu Hsueh-chung to a place thousands of miles away and to dismiss Gen. Sung Chi-yuan from his post as chairman of Chahar Provincial Government.

After Gen. Sung, who will be the next scapegoat? Now North China is practically under the iron-clad rule of the Japanese Kwantung Army, and all the supposed stumbling blocks to the ambition of the Japanese warlords have been one after another removed. As the appetite of the Japanese warlords is insatiable, it is quite natural that after the consolidation of their present position in North China, they will seek the first opportunity to extend their influence to this side of the Yellow River. To justify their future military actions, they have to find a new scapegoat for all sins. Thus it is quite understandable that they should now level their attacks upon the person of Gen. Chiang Kai-shek as an initial move to extend their conquests into Central China. They have even openly demanded his resignation from his present military post, because they have claimed that "the root of the present difficulties rests with the policies of Gen. Chiang himself", and that "it is no longer the communists but Gen. Chiang who will put an end to China's national existence."

Thus the Japanese warlords, because of their love for China and her people, are out to get rid of an enemy who is said to be even worse than the communists. That they should show their teeth to Gen. Chiang is really a matter of surprise, for during the past four years, Gen. Chiang has devoted his whole time and labor to the communist-suppression campaigns and has purposely stayed away from the centers of Sino-Japanese conflicts. His repeated refusal to lead a force to resist the Japanese invasion actually brought upon his head many bitter charges from his political enemies. As a matter of fact, the resignation of T. V. Soong from the post of the Minister of Finance about two years ago was said to be the result of his disapproval of any policy which would tend to exacerbate Japanese feeling.

But in spite of his conciliatory attitude towards the Japanese, he can not yet save himself from the wrath of Japanese warlords. Without regarding the niceties of international courtesy, the Japanese military officers of inferior rank have openly expressed their dissatisfaction with the conduct of the chief figure of the Chinese Government and charged him with utilizing Blue Shirts, the gendarmerie, the Tangpus and other organizations in an effort to secure his present dictatorial powers and "instil anti-Japanese sentiments into the mass mind." He has been denounced because he is not prepared "to lead a government capable of cooperating with Japan in maintaining the peace of the Far East." He has been further accused of a lack of sincerity, for he has refused to take action personally for the settlement of the troubles in Peiping and Tientsin.

To say that Gen. Chiang has formed Blue Shirts and other organizations for the purpose of creating anti-Japanese sentiment throughout China is really too absurd to be considered. In face of forcible occupation of Manchuria and Jehol and frequent threats of new Japanese military operations, the Chinese people, no matter how limited is their sense of patriotism, can not be expected to continue making love to the Japanese. This anti-Japanese sentiment among the Chinese masses can be neither created by the instigation of official organs, nor eradicated by their abolition. It is not due to the inculcation of Chinese officials but to the renewed sabre-rattling of Japanese warlords that this anti-Japanese sentiment has taken such a deep root in the mass mind that it will become a perpetual legacy to our future generations.

### Why the Japanese Dislike General Chiang

The accusation that Gen. Chiang is not ready to lead a government to Japanese liking is probably the very reason which accounts for the Japanese wrath against him. Gen. Chiang may be conciliatory in his attitude towards the Japanese, but he is too patriotic to stoop to be another Japanese puppet. What the Japanese warlords are after is a Chinese Government headed by another Henry Pu Yi who will obediently say "yes—yes" to the Japanese overlords and do everything to please them so as to preserve his head and position. When such a government can be set up in China, there will really be no occasion for the Japanese warlord to trouble themselves any more about warnings and military actions, and Far Eastern peace can be naturally maintained without the need of any cooperation between China and Japan.

As to Gen. Chiang's lack of sincerity, it must be noted that Gen. Chiang is merely a military officer, and as such, he is right in not usurping diplomatic functions from our Waichiaopu. The Japanese warlords may consider their Gaimusho as nothing more than a decoration of their government; but our military chieftains, in spite of their past bad fame, have not yet learned the way of totally disregarding international usage. Since China and Japan have both maintained their respective Foreign Offices, any dispute between them should be left in the hands of their diplomats. Then why should the Japanese warlords take up the issue directly with Gen. Chiang—a procedure which is not only contrary to the established international practice but also unfamiliar to a country which is said to be no more than merely "a geographical expression."?

What has really aroused the ire of the Japanese warlords is, therefore, not alleged anti-Japanese activities directed by Gen. Chiang and his lack of sincerity, but his recent success in exterminating the Red-banditry in Central China and extending the authority of the Central Government to the remote western provinces. Since the establishment of the Chinese Republic in 1911, at no time has the prospect of a united country been brighter than today. A united China is, of course, the last thing which the Japanese warlords wish to see, because the day of final reckoning will draw near. The fear of their insecurity has now prompted them to vent their wrath upon Gen. Chiang and use pressure in an attempt to oust him from his present important post with the hope of undoing all the good work which Gen. Chiang has accomplished after many years of painstaking and indefatigable labor.

It is expected that from now on we shall hear more vociferous attacks made by the Japanese warlords against Gen. Chiang. It is equally to be expected that in order to prevent China from coming into unification, enterprising Japanese will intrigue with Chinese political malcontents to stage separatist movements against the Nanking regime. In this connection, present and future moves on the part of the Southwestern military leaders deserve our close attention. Suffice it to say that the Japanese warlords will do everything possible to harass Gen. Chiang in his earnest endeavor to bring the whole country under the rule of the Central Government even to the extent of pressing for his resignation, so that they can fish in troubled waters and gradually and steadily swallow up the whole of China.

# The Industrialization of China

BY C. Y. W. MENG (孟 秀 林)

IN a recent issue, the *People's Tribune*, one of two Chinese-English journals in Shanghai, in an editorial entitled "Of the People, For the People," argued that, by relieving the nation of the crushing burden of what is known as "illegal taxation"; by instituting a state scheme of life-assurance under control of the Ministry of Communications, and operated by the Director-General of the Postal Remittance and Savings Bank, as a means to encourage the thrift of the people; and by launching a nation-wide movement against illiteracy — the National Government has given further proof of its practical concern "for the people," and for the interest "of the people." The interests of the people are now being cared for; and their opportunities for advancement are being steadily widened. So, the journal concludes that by taking this course not only does it show that the Government will hold and enjoy the confidence of the people but also it hastens the coming of the day when China will have a government "by the people, of the people, and for the people".

Mr. Chen Kung-po

Undoubtedly, there is much truth in the conclusion. But there is one more important action which has been taken by the Government, and which is of equal significance, and which will do much in hastening the coming of the day of a government "by the people, of the people, and for the people," but which the *Tribune* fails to mention. That is, the industrialization of China.

To go back—in his lengthy manifesto relating to the "administrative program", Dr. H. H. Kung, Ex-Minister of Industry, after dwelling on the importance and necessity for improving the industrial and commercial conditions as the only means of national salvation, listed "sixteen items" to be carried out. Despite the adverse circumstances, then existing, during his four years of administration, he was, nevertheless, able to put part of his administrative program into execution, such as the promulgation and revision of industrial and commercial laws; establishment of the Bureau of Testing and Inspection of Commercial Commodities in various ports, and the Bureau of Commercial Information in Shanghai, etc. This marks the beginning of the industrialization of China.

### Yangtsze Valley—"Industrial Center of China"

In 1931, Chen Kung-po, a veteran member of the Kuomintang, was appointed Minister of Industry. A year later, China's famous "Four-Year Industrial Plan" was drawn up. In his speeches and writings, Mr. Chen always advocates that the unification by sheer strength of arms may be regarded as a matter of military tactics, while to unite a nation by political means is mere theorizing, but that "the corner-stone for true unification is to be found in economics." In discussing the details for carrying out the industrial plan, Mr. Chen further advocates the development of a central area as a "starting point" for China's industrial reconstruction program rather than theorizing about a national-reconstruction plan. For this purpose, he suggests and later he designates the Yangtsze Valley as the suitable place. In other words, the Yangtsze River, flowing through six of the most fertile provinces in China, bringing within reach the purchasing power of 200,000,000 people, and providing as a result of Nature's gift the largest market for the nation's production, should be made as the first industrial and model center of China! Steps have already been taken towards this direction, and there is every hope that the whole plan will soon be realized.

### Four-Year Industrial Plan in Progress

The Four-Year Industrial Plan calls for the Government control of cereals, cotton, and coal; the establishment of iron and steel works, amomonia-sulphate plant, central machine shop, paper mills, central agricultural experiment station, central ranch for stock-raising; development and improvement of sericulture and fisheries. Up to the time when these lines are written, we find that part of the Plan has already been put into execution. The National Agricultural Research Bureau, the National Animal Husbandry Experiment Station were established long ago. Some American experts have been employed as advisers. Live-stock has been imported for breeding purposes. While the site for the Iron and Steel Works has already been decided, the equipment purchased for the establishment of the Central Machine Shop is already on the way to China. While a modern paper mill is now under construction in Wenchow, an Alcohol and Distillery factory has already been opened in Pootung, near Shanghai.

The metric system standard of weights and measures is now being enforced throughout the Republic. More "industrial expositions," and "Exhibitions of National Products" have been held in various parts of the country to encourage the Chinese to use more native goods and to adopt more modern methods in the manufacture of goods. Steps have also been taken to promote and apply the "rationalization" and "scientific management" of various industrial and commercial enterprises.

In other words, within a short period of three years, and due to the energetic and untiring efforts of the Minister of Industry, part of the industrial plan has been put into effect and much progress has been made in the industrial and commercial realm. Should there be more internal peace, and should there be no Japanese aggression, China could certainly accomplish more towards healthy industrial development!

### "Economic Nationalism"

In his speech on "some problems of the reconstruction in China," before the meeting of the magistrates in Hangchow, under the chairmanship of Gen. Huang Shao-hung, Chairman of the Provincial Government of Chekiang, the same Minister of Industry, after discussing the present economic condition in China, pointed out that "China should undertake more vigorously the economic reconstruction based on the principle of nationalism." The speaker then dwells lengthily on some of the problems which, in his opinion, should be first solved before reconstruction work could begin.

First, the Minister urged the abandonment of the policy of "agriculturalization of the country." He said that it is true that China is now facing rural bankruptcy, and that we should lose no time to devise relief measures. "Despite this," continued the Minister, "our policy in future should be one of the industrialization of the country, but not agriculturalization. The present situation is such that it is no longer possible for us to maintain our policy that China should remain essentially an agricultural country." The speaker illustrated his conviction by pointing out that both Egypt and India, which adopted the policy of agriculturalization of the country, have now all "become the colonies of some powers." Continuing Mr. Chen said, "At present 87% of the Chinese population are farmers, but their productive and purchasing power is very low; thus there is "no way to adjust our production, consumption and distribution." According to his opinion, China exports too little, so more attention should be paid to the development of industries.

Those who have studied the Chinese situation mostly advocate that China should remain essentially an agricultural country for some time to come. But Mr. Chen was probably the first one to urge the abandonment of such a policy and the taking up of the policy of "intensive industrialization" of the country.

### Centralization of Efforts

Secondly, Mr. Chen pointed out that some of the offices in charge of the reconstruction work should be amalgamated, so as to concentrate our efforts in the reconstruction work, and also to save expenditure. Our learned Minister is quite right in suggesting so. At present, there is the "Reconstruction Committee," the "N.E.C." (National Economic Council), which all undertake reconstruction work. The Department of Mines of the Ministry of Industry is now taking steps to develop the mineral industry in China, but the N.E.C. is also doing the same. The Department of Agriculture of the Ministry of Industry is now taking steps to improve Chinese agriculture, but the Rural Rehabilitation Committee of the Executive, and the N.E.C. are also doing the same. There is no doubt that there is conflict of authorities, duplication of works, and waste of national revenues which might well go for other reconstructive purposes. So there is much truth in his suggestion; and this is, in fact, an important problem which has to be settled before more reconstruction work can begin!

Thirdly, dealing with the necessary capital for reconstruction purposes, the Minister suggests that the best way is to cause the banks to take out part of their reserves and invest them in industrial under takings, and the "Government should offer some security." "After a period, we will see that more accomplishments could easily be achieved," said Mr. Chen.

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### A Policy of "Self-Sufficiency"

The same speaker, after discussing the problems of consrtruction, concluded his speech by pointing out that there are some conditions for the existence of a nation, and that is that "we should not lack the necessities, such as rice, wheat, cotton, iron, chemicals, raw materials, coal, etc. "But now," said Mr. Chen, "there is every sign that we are short of all of them. So we should take steps to solve this problem, and to be able to produce the necessities by ourselves and for ourselves. We should reach our object of supplying ourselves with our own rice within six years; with our own wheat within ten years; with our own cotton within three or four years. Such is the condition of the existence of a nation; and unless such is well prepared, there is no possibility of taking up other problems," concluded the Minister of Industry. He called his policy a policy of "self-sufficiency"!

As stated by the Minister, 87% of the Chinese population are farmers, so China should be able to produce more foodstuffs than the needs. China is full of mineral resources, so China should be able to supply herself with her own iron, coal, etc. But, unfortunately, this is not the case. Practically all necessities, and the "basic industries" have to be imported annually in enormous quantities. As a result, we see in both the industrial and commercial fields unmistakable signs of adversity, with the result that the people are subjected to great sufferings and hardships. China today is actually facing a crisis which for the lack of a more appropriate name might be called "economic suicide." So long as such a situation is not quickly coped with and improved, no government can claim to be a government "of the people and for the people." So, the Minister of Industry is right in advocating and adopting a policy of "self-sufficiency" to cope with the situation; and in taking vigorous steps to develop first some of the "basic industries". By taking such action, it is not a certain group of people, nor the minority, but the 87% of the Chinese population who are to receive the benefit. It is indeed a policy and action "of the people and for the people"! So, to construct more highways connecting one place to another where the means of commmunications are already good enough in comparison with those in the North-West, and which serve no other purpose than for motor-enthusiasts to take some pleasure trips from one place to another, and which is more a "luxury" than a "necessity," is not, in our opinion, an action "of the people and for the people." So, when such policy and action, as advocated and suggested by the Minister of Industry, are being carried out, we believe a government "by the people, of the people and for the people" is coming.

Nanking, June 22, 1935.

## New Buildings to Be Erected at Nanking to House American Officials

The *Review's* Nanking correspondent writes: "The removal of the entire American Legation from Peiping to Nanking has not so far been decided on. Offices of the Legation have, however, been maintained in Nanking for some four years as well as in Peiping, and three officers of the Legation are stationed in Nanking. The Legation at Nanking has concluded arrangements with a Chinese landholder and contractor to erect five buildings to be rented by the American Government for the Legation and Consulate General at Nanking. The buildings will include a residence for the American Ambassador to use when he is in the capital, a residence for the Counselor of Legation and Consul General, and office building, and residences for the secretaries of the Legation and the Consulate. Officers. It is stated that Marks & Company will undertake the construction work. The Company has borrowed the money from the Sin Hwa Bank. After construction, the Company will rent the buildings to the American Government. The designs of the buildings are now being drawn up."

## Swiss Court Brands "Zion Protocols" False—Fines Two German Nazis

The "Protocols of the elders of Zion," which purport to depict a plot by Jewry to conquer the world, were declared to be "false and obvious plagiarism" by a Swiss court in Berne, May 14. The court found two of the five Swiss Nazis who have been tried in this famous suit guilty of libel. Fines of $16 and $10 were assessed and the pair was ordered to pay the costs. The other defendants were acquitted.

The two convicted—Theodore Fischer, leader of the Swiss Nazis, and Herr Schneller, his aide—were specifically found by the court to have distributed "immoral literature," and further sale and distribution of the "protocols" was forbidden. The protocols, alleged to represent the actual writings of Jewish leaders, were immoral, the court asserted, "because they were false and obvious plagiarism, because they propagated hate against part of the population and are thus of such nature as to cause agitation and disturb public peace.

## Chen Kung-po Urges Need for Light Industry

Instead of the slogan "Build up the Foundation of China through Agriculture," the motto for the China of today should be "Consolidation of China through Agriculture and Light Industries Combined," Chen Kung-po, Minister of Industry, declared in Nanking June 24 at the Central Party headquarters on the occasion of the weekly Sun Yat-sen memorial meeting.

# Why Fortune-Telling Is Popular in China

BY B.Y. LEE (李炳彬)

ALMOST every one in China has at one time or another consulted a fortune-teller on various subjects and has received his advice, and to have one's fortune told is a common daily pastime for the well-to-do and the conservative. Fortune-telling is a skilful art and the fortune-teller is a trained psychologist. To be a fortune-teller around the back alley is easy, but to be one whose fame has spread far beyond one's homestead requires quick thinking, a sugar-coated tongue, a peculiar faculty and power of doing what is required by circumstances. Some fortune-tellers can merely make a scanty livelihood while others make a fat income. There is a large number of fortune-tellers in China, who would guarantee to advise on all matters concerning the heart, the pocket-book, business prospects, health, etc. and who are composed of both men and women, from the illiterate to the liberally educated. The fortune-tellers' signboards are seen almost everywhere, on street corners, in railway stations, in hotel lifts, in hotel rooms, in newspapers, etc. Fortune-telling is more thriving in cities than in towns. We have no reliable statisitcs to show the number of fortune-tellers in any industrial or commercial centres, but the number must be very large.

In spite of the rapid advancement and progrees toward modern education and thought made in China in recent years, the people as a whole still retain the old belief in fortune-telling and show practically no effort eliminate it. It is very difficult for the average man or woman to appreciate legal restrictions regarding fortune-telling and to realize the harmful effects that may result from the advice of fortune-tellers. To a modern educated mind, the spending of a small sum to have one's fortune read from a tea cup, from cards, from a bamboo stick, or from a crystal, is an amusement as well as a pastime: but to an illiterate mind, the words of a fortune-teller are taken at their par value, are remembered and may even be dreamed of. The tragedy is that there are numerous people who are stupid enough to believe what they are told by professional fortune-tellers. In ordinary circumstances, many a person is a responsible member of the community and lives happily, but when once he comes to fortune-telling, he is lost and might be termed "neurotic". The fortune-teller rules the lives of many of his fellow-countrymen, directs the actions of thousands of others, his words and decisions being awaited with bated breath.

**The Fortune-Teller Is Ready to Advise About Everything**

There are more "fortune-believers" among women than among men. Men go to fortune-tellers about business, travel, friends, enemies, changes, the time of winning money in stock markets, in horse-races, in gambling dens, etc, and women go to fortune-tellers about lucky days, love, marriages, longevity, factors affecting family happiness, etc. Recently a mother in Canton murdered her infant child in order to save the rest of the family from tragedy as she was advised by a fortune-teller. In Shanghai many fortune-tellers try to tell you when ups and downs of the stock market come. For a small sum of a few coppers, one may have one's fortune read as to when a fortune can be made. One wonders why the fortune-teller himself does not grasp the opportunity of winning a fortune in the stock market, instead of sitting in a back alley seat, making a scanty livelihood? Instances similar to those are too numerous to relate in China, where fortune-tellers and fortune-believers exist by thousands. There is not a city in China, where men and women of the world, who suppose themselves free from all supersition, are not consulting fortune tellers, trusting in their words, believing that all possible future happenings relating to human society can be predicted.

A woman usually asks: How long shall I live? When shall I die? Shall I be happy with him? Shall my children support me when I am old? How many children shall I get? A man usually asks: Shall I clinch that business deal? What day shall I start my journey? When shall I become rich? Is my wife faithful to me? To a man client, the fortune-teller usually foretells when he will become rich or when his business will prosper; to a woman client, he usually tells about her children, particularly about her sons, as to how many she will have, and which one will supports her, etc. Love affairs are seldom discussed, as freedom in marriage is not yet popular in China, with the exception of a few modern educated young students who live in large commercial cities. Young folks seldom go to forune-tellers; the middle aged and distressed frequently go to have their fortune read. The fees charged by fortune-tellers are from a few coppers to several hundreds of dollars. The blind fortune-teller and the palmist usually tell a few words and their fee is as low as a few coppers, while high class fortune-tellers charge as much as two hundred dollers and tell fortunes in detail to the year of one's death.

It is generally true that those who go to fortune-tellers are in a state of financial difficulty or in mental agony. As the fortune-teller is an experienced psychologist, he can tell almost at once what worries his clients by looking into his face. Those who go to have their fortune read as a amusement generally go in groups with smiling faces and wearing smart clothes, while those who go single are those who have some trouble on hand and really believe what they are told. Once a prosperous looking business man with several of his friends went to a fortune-teller and he was at once told that his business was prosperous and he was thinking of taking a concubince. Of course the fortune-teller was right for he can read a man's mind in his face. He knows that most prosperous men in China usually have taken concubines or are thinking of taking them. When those who look sad and worried come, they are told of their trouble with their children or wives. The fortune-teller is right one time and wrong another time. He speculates and takes chances. When he is right he claims his fame and when he is wrong he says that circumstances have changed. He usually expresses ambiguous statements which can be interpreted in many ways, and for this reason many believers in fortune-telling interpert the "predictions" according to results later attained. A man may be told that he is faithful and works hard but his employer does not appreciate his service, and when he applies for a position some one else also tries to take it away from him. Statements like these are true of almost everybody, but without giving them serious consideration, practically everybody says these false statements are the correct answers to his dilemma.

During hard times or a business depression, such as is now prevailing, more people go to the fortune-teller. A heavy heart needs a few words of consolation from a unknown friend, the fortune-te ler. To believe in his predictions and be comforted, is acceptable in times when one is in distress. This explains why the fortune-telling trade is now more prosperous than it was in normal times. Now is the best time for the fortune-teller to tell his clients that good fortune is coming when general business conditions are likely to become better. This is true of almost every one without exception. And the fortune-teller is right! In times of business prosperity and of family happiness, people seldom go to the fortune-teller as they are either too busy or incredulous of the predictions. Those who are childless usually ask the fortune-teller questions in regard to children; those who are poor ask him questions in regard to sources of money-making those who are sick consult him about their health; those who are unemployed ask him when and what kind of a position they will secure.

**Fees to Suit All Pocket-Books**

There are various type of fortune-tellers in China. The lowest and the cheapest are the back alley and the blind fortune-tellers. The former tell fortunes from bamboo sticks with written predictions on them, from cards or rolled papers of a similar nature picked up by birds. They have no offices and their desks are located on some street corner and their charges are from a few coppers to a few tens of cents. The blind fortune-tellers usually have neither offices nor desks, They walk about streets, and lanes, or from one village to another, meeting their clients anywhere, and their charges are, as a rule, a few coppers. This class consists of a large percentage of men who cannot make a livelihood in any other trade. They tell fortunes by throwing out a number of their fingers between them and their clients. They say a few words and usually answer yes or no to the questions. As these poor people can not make a livelihood in any other trade, they draw the sympathy of a host of people who give a few coppers as an alms-offering. In general their answers are simple and harmless. As a rule, most people do not give any serious consideration to their answers or predictions. Most kind-hearted people assert that their livelihood must be maintained and no restrictions should be placed upon them. The third class is the palmist, who usually has an office where illustrations showing various types of hands are hung. Curves, wrinkes, loops, etc., in the palm and the fingers are indications of one's fortune or misfortune. The charges are from a couple dimes to a couple dollars. The fortune is told verbally.

Some back alley and street corner fortune-tellers are character analysts. The client picks up two rolled papers among thousands, and each roll contains a character. Hence the fortune is told according to the fortune-teller's interpretation of the two characters picked up. For instance, a mother of a good-for-nothing son went to a fortune teller one day and picked up two rolls from which her son's fortune was told. The first roll contained a character meaning "gentleman",and the second roll contained a charcter meaning " emptiness". The interpretation was as follows: The young fellow was a gentleman in appearance in every way, but he was an "empty gentleman". Instead of living with his parents, the young fellow chose to live a miserable life outside. The fortune-teller was right in every detail. How and why he was right is very difficult to solve. Instances like this example are numerous, and furnish the reason why some people believe in the fortune teller's words. China is a land of mystery, and fortune-tellers are sometimes mysterious men. In large cities like Shanghai no one believes that the fortune-teller receives information concerning every one of his clients before telling his fortune. The believer has a prejudiced mind and is ready to accept what is told, but right predictions are puzzles to many minds, even to the intellectual ones.

The fourth class is the highest among fortune-tellers, who are real fortune-tellers in every sense. They have offices in conspicuous places, near hotels, restaurants, gambling and opium smoking dens, and houses of ill-fame where night life is popular. The charges are from a couple of dollars to a couple of

# PEIPING-LIAONING RAILWAY

## ABRIDGED TIME TABLE

*1st July, 1934 and until further notice.*

| Down Trains | | | | | | | | | | Up Trains | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 41 Slow D 1 2 3 | 301 Ex. S D 1 2 3 | 1 Ex. S D 1 2 3 | 305 Ex. S D 1 2 3 | 23 Fast D 1 2 3 | 5 Ex. D 1 2 3 | 21 Ex. S D 1 2 3 | 3* Ex. S D 1 2 3 | MAIN LINE STATIONS | | 302 Ex. S D 1 2 3 | 22* Fast D 1 2 3 | 42 Slow D 1 2 3 | 4 Ex. S D 1 2 3 | 24 Fast D 1 2 3 | 2 Ex. S D 1 2 3 | 306 Ex. S D 1 2 3 | 6 Ex. D 1 2 3 |
| 5.45 | 15.05 | 8.45 | 18.50 | 13.15 | 16.30 | 20.15 | 10.55 | dep. Peiping - - - | arr. | 10.24 | 11.29 | 17.55 | 18.42 | 23.17 | 9.18 | 8.19 | 11.50 |
| 6.20 | 15.36 | 9.13 | 19.20 | 13.46 | — | 20.48 | 11.24 | ,, Fengtai - - - - | dep. | 9.54 | 10.55 | 17.21 | 18.15 | 22.48 | 8.47 | 7.49 | — |
| 7.45 | 16.40 | 10.21 | 20.26 | 15.01 | — | 22.08 | -- | ,, Langfang - - - | ,, | 8.50 | 9.26 | 15.43 | — | 21.34 | 7.45 | 6.43 | — |
| 9.16 | 17.50 | 11.28 | 21.39 | 16.30 | 19.07 | 23.38 | 13.32 | ,, Tientsin Central | ,, | 7.40 | 8.03 | 14.14 | 16.05 | 20.11 | 6.39 | 5.30 | 9.15 |
| 9.25 | 17.59 | 11.36 | 21.48 | 16 39 | 19.15 | 23.47 | 13.40 | arr. Tientsin East - | dep. | 7.30 | 7.50 | 14.00 | 15.55 | 20.00 | 6.30 | 5.20 | 9.05 |
| 9.35 | 18.20 | 11.50 | 22.20 | 16.55 | — | 24.00 | 13.50 | dep. ,, ,, | arr. | 7.05 | 7.36 | 13.46 | 15.40 | 19.50 | 6.15 | 4.50 | |
| 10.38 | | 12.47 | | 18.03 | Stop | 1.10 | 14.47 | ,, Tang-ku - - - | dep. | | 6.31 | 12.46 | 14.45 | 18.51 | 5.11 | | |
| 11.46 | | 13.45 | | 19.08 | | 2.18 | 15.40 | ,, Lu-tai - - - - | ,, | | 5.26 | 11.41 | 13.48 | 17.43 | 4.08 | | |
| 12.52 | FOR SHANGHAI | 14.42 | FOR PUKOW | 20.11 | | 3.32 | 16.39 | ,, Tang-shan - - | ,, | FROM SHANGHAI | 4.15 | 10.30 | 12.50 | 16.37 | 2.58 | FROM PUKOW | |
| 13.39 | | 15.17 | | 20.47 | | 4.20 | 17.14 | ,, Ku-yeh - - - | ,, | | 3.30 | 9.44 | 12.18 | 16.05 | 2.16 | | |
| 14.29 | | 15.49 | | 21.21 | | 5.12 | 17.46 | ,, Lanhsien - - - | ,, | | 2.32 | 8.45 | 11.39 | 15.22 | 1.18 | | |
| 15.32 | | 16.31 | | 22.11 | | 6.18 | 18.28 | ,, Chang-li- - - | ,, | | 1.29 | 7.40 | 10.58 | 14.37 | 0.19 | | |
| 16.16 | | 17.04 | | 22.46 | | 7.07 | 19.01 | ,, Pei-tai-ho - - | ,, | | 0.39 | 6.54 | 10.27 | 14.00 | 23.31 | | |
| 16.43 | | 17.23 | | 23.08 | | 7.33 | 19.20 | ,, Chin-wang-tao - | ,, | | 0.01 | 6.25 | 10.04 | 13.35 | 22.59 | | |
| 17.05 | | 17.40 | | 23.26 | | 7.55 | 19.37 | arr. Shan-hai-kwan - | ,, | | 23.30 | 6.00 | 9.45 | 13.15 | 22.30 | | |
| | | 18.40 | | | | | | dep. ,, | arr. | | | | | | 21.26 | | |
| | | 16.25 | | | | | | arr. Shenyang (Mukden) | dep. | | | | | | 10.15 | | |

S. D.—Sleeping and Dining Cars. D. Dining Car.

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No. 3 and 22* Temporary suspended.

*Tientsin, 1st July, 1934.*

BY ORDER.

hundred dollars, and the fortune told is written on paper. The name in full, the place of birth, the time of birth and the age are given. There are big fortune making periods in every ten years and small ones in every five years. The fortune-teller of this class is a well educated man or woman who can speak many dialects fluently and write many styles of penmanship. He is an expert psychologist and has a trained mind. He always makes his clients feel well satisfied after paying the usual charges. He may be a swindler as he has learned all the private affairs and secrets of his client. He charges his clients, according to their means and stations, but seldom causes tragedies among them, as careful and selected words are used in his fortune-telling.

If people don't believe what is told, the fortune-teller is, as a whole, is harmless. Fortune-telling is a topic of gossip when people are at leisure. It is discussed in teahouses, in clubs, in boats, in trains, in public gardens, etc. as a pastime. Many people study and talk about fortune-telling for pleasure, and therefore they are non-professional. To restrict the activities of the fortune-teller as a class is a problem. It is doubtful whether any law can be effective to ban the fortune-teller. As many of them have no regular offices, it would require a huge force of police to chase after them while they are telling fortunes on street corners, in lanes, in villages, etc. To license those who have offices is an easy matter. The back alley fortune-tellers and professional seers should be eliminated, as they themsleves are ignorant and often cause deaths or tragedies among their clients, who consider the words told at their face value. How and by what measures the fortune-teller should be strictly controlled and supervised is a problem. It is said that England has about 10,000 fortune-tellers, where the law can not effectively restrict their activities. China, being a superstitious and poverty stricken country, can not expect to eliminate the fortune-teller by law when England has failed. Society can do very little toward the elimination of fortune-telling, unless the individual initiates his own effort to do so. People should be educated and taught to recognize the falsehood and deception and not to believe everything they are told.

## U.S. Yangtze Ships Sold to British and Chinese Companies

The American Yangtze Rapid Steamship Company has now sold all of its 10 steamers to British and Chinese shipping companies in order to meet its loan obligations to the China Finance Corporation. As previously reported, Butterfield & Swire bought three of the ships at a cost of $550,000. The Min Sen Shipping Company has bought the remaining seven for $450,000.

## A Japanese Vice-Consul Who Stole "Secret Service Funds"

(*From the Japan Chronicle, June 11*)

The confessed embezzlements of Mr. Mogi, vice-Consul in Tsingtao, make very extraordinary reading. Vice-Consuls do not, as a rule, handle very large sums of money, yet Mr. Mogi is reported to have embezzled over a quarter of a million yen in the last six or seven years. Much of the money, it now appears, was from "secret service funds." Presumably Mr. Mogi had to show some sort of results for the expenditure, and it would be highly interesting to learn how he kept up the deception so long. What sort of information did he secure at the race tracks and geisha houses? Or, if getting confidential information was not the purpose of the fund, what was he supposed to do with it? Quite understandably, the Foreign Office is very embarrassed at the revelations, and is to institute a prompt audit of other consular funds elsewhere. Evidently it is now realized that supervision has been slack. At the same time credit should be given where it is due. It might have been much more embarrassing all round if Mr. Mogi had elected to make his temporary disappearance in China, and not Japan."

### How Foreigners Are Hounded in Japan

The *Chronicle* commented further in an editorial regarding the disbursement of secret service funds in general:—"Foreigners are trailed all over this country on account of the most absurd suspicions regarding their intentions. One can hardly take a photograph without being under suspicion. To walk along the road within miles of a fortified zone is to run in danger of arrest. To place an order with a factory that does any work for the army is regarded as almost final proof of espionage. To fly within infra-red range of a fortified zone causes great perturbations. And though Japan used to be the pleasantest country in the world for a walking tour, he would be a very rash person in these days who would seek his pleasure in that way. Whenever anybody is detained or arrested for any of these things the Japanese newspapers are always informed that the military authorities take a very serious view of the matter. Apparently they do take a serious view of it, otherwise they would not inflict on innocent people the serious inconveniences that they do. But the fact that so acute and undiscerning a spy mania exists denotes that there is an amount of credulity about that must cause a deplorable waste of secret service money.

# All Eyes Turn to the Vast Soviet Army

BY WALTER DURANTY

(*N. Y. Times Magazine*)

THE attention of the world has been attracted to the Red Army by the recent announcement of Vice Commissar of War Tukhachevsky that its strength had been increased by 56 per cent in the past year, and by the fact that Germany used this increase as a pretext for the introduction of universal military service.

In regard to the Red Army there are four points of especial interest, three pluses and one minus, as follows:

*First*—It is the largest standing army in the world, with a peace-time force of 940,000 men. This figure probably, although not certainly, does not include what were formerly called Ogpu troops, namely, railroad and frontier guards and special detachments for service in the large cities (once called "Special Protection Troops," who are long-term enlisted men and may total from 150,000 to 250,000; they correspond to the "green" and "blue" police in Germany).

*Second*—The Red Army is now highly mechanized and well equipped, and appears to be efficient and well disciplined. But——

*Third*—There is a general weakness of transport in the Soviet Union.

*Fourth*—The Red Army is exceedingly popular and privileged, and is a school and training for life as well as an army.

The Red Army was founded by decree of Jan. 15, 1918, originally as a volunteer service. Conscription was introduced on June 17 of the same year as a result of the Czechoslovak revolt and the Japanese landing at Vladivostok, and has remained in force ever since. A subsequent decree (Aug. 8, 1928) made militray service obligatory for all able-bodied males between the ages of 19 and 40, with exceptions for disfranchised persons, criminals, priests, sons of former nobles, landlords and gendarmes.

Service is divided into three sections: preliminary training, active service with the colors, and reserve. Recruits are not called up until they have passed their twenty-first birthday. Their term of service varies from two to four years, according to the branch of the army to which they belong.

The reserve is divided into two sections, one composed of those from 23 to 34 years old and the other of those from 35 to 40. Reservists in the first category do from one to three months' service annually, and in the second category from two to six weeks, but as the army is organized primarily on a territorial basis, reservists, with certain exceptions, generally perform their annual service in the neighborhood of their homes.

### Officers Are Mostly "Career" Soldiers

Officers, as in other Continental armies, are almost wholly "career" soldiers, Originally they were provided by training schools on the Western model, but every encouragement is given to the rank and file to enter such schools, or to attend special classes outside the schools, in order to rise to officer rank. The High Command, Staff College, and so forth, differ little from foreign systems, but there is one important feature of the Red Army which is unique, namely, the Political Administration.

The importance of the Political Administration may be judged from the fact that its present chief is Gamarnid, Vice Commissar of War and therefore equal in rank to Tukhachevsky—that is, only second to the Commissar, Voroshiloff. It includes the function of military intelligence, but has in addition what is here considered the even more vital task of organizing and supervising the political, mental, moral and, for that matter, physical training of the army from top to bottom.

Chief stress is laid on the political features for two reasons, one of which belongs in the present, the other in the past. As war clouds loom darker, the elite of the nation is being progressively drawn into the army, (it must be remembered that not more than a third to a quarter of the available recruits are called for service each year, which gives wide scope for mental and physical selection) and it is imperative that this elite should be Communist by conviction, and should fully understand the aims and ideals of Marx and Lenin which Stalin is putting into practice.

In the past, during the civil war and intervention period, the Red Army, like the first forces of the French Revolution, was compelled, through lack of officers of its own, to employ to a considerable extent the services of officers of the old regime, about whose loyalty there was often grave cause for doubt. And, like the French Revolutionaries, the Bolsheviki tried to remedy this defect by establishing a corps of civil "Commissars," who in the final instance had powers of life and death over the "White" officers. This system of divided control, naturally, worked badly, and it was felt necessary to lose no time in forming a corps of Communist officres.

This purpose was, however, secondary to the Political Administration's essential function, which is that of developing and coordinating the Communist party movement in the Red Army From a party point of view, the Red Army is in a sense "extraterritorial" (the word is actually used in the party statutes on the subject); that is to say, it has its own "cells" and party organization separate from those of civil life. When, therefore, a Communist worker, affiliated with a party unit in a Moscow factory, joins the army, he severs for the time being connection with that unit and enters a new military unit.

The army today is 50 per cent Communist. It may be reckoned that recruits on entering are from 25 from to 35 per cent Communist or Young Communist members. On expiration of their term of service the percentage has risen to 60 or more. Almost 70 per cent of the officers are party members, while the higher ranks are almost exclusively Communist.

The correct title of the Red Army is Workers and Peasants Red Army, generally abbreviated to RKKA, from the initials of the Russian words in the name. Its composition at present is 40 per cent workers and 60 per cent peasants, and of the latter nine-tenths are drawn from collective farms. Its purpose was initially defined by Lenin as follows: "To learn the art of war, so necessary for the proletariat, not in order to shoot its brothers, the workers of other lands, but to put an end to exploitation, poverty and wars."

Ten years later Stalin thus elaborated the three "particularities" of the Red Army:

1. The RKKA is the army of freed workers and peasants of the Dictatorship of the Proletariat to maintain the power of the Proletariat against landlords and capitalists, whereas in all other countries the army is the weapon of capitalist exploitation.

2. The RKKA is an army of defense against capitalist aggression, whereas foreign armies are the tools of such aggression against weaker countries and colonial populations.

3. The RKKA is trained in the spirit of international brotherhood, whereas capitalist armies are imbued with nationalism, to hate other people's governments and even the workers of other lands.

Every 1st of May at the Red Army parades in the Red Square, which precedes the mass demonstration of workers, the assembled troops shout in chorus the following oath, which is taken by every Red soldier on joining the colors:

> "I, son of the working people, citizen of the Union of Soviet Socialist Republics, take upon myself the calling of soldier in the Workers and Peasants Red Army. I promise at the first appeal of the Workers and Peasants Government to march to the protection of the Union of Soviet Socialist Republics."

It is extraordinarily impressive to hear the sonorous words of the oath shouted by 30,000 throats and echoed back from the steep outer wall of the Kremlin.

### The Revolutionary War Council

The governing body of the army is the so-called "Revoyen Soviet," which means Revolutionary War Council, whose president, Voroshiloff, is Commissar of War. Its vice presidents are Tukhachevsky, Gamarnik and S. S. Kameneff (the initials are always used to distinguish him from Trotsky's backsliding brother-in-law), who all rank as Vice Commissars. Other notable members are Yegoroff, Chief of Staff; Alksnis, head of aviation; Eideman, president of Osaviakim (the Soviet Air League, which now has more than 15,000,000 members); Budyonny, the popular cavalry leaders, and, last but not least, Orjonikidze, Commissar of Heavy Industry.

Last December the Revoyen Soviet was increased from fourteen to eighty members, including practically all of the high staff officers and district commanders, and its title was changed to "Soviet Oborony," meaning Council of Defense, with the "Revolutionary" dropped. The increase in numbers doubtless makes the governing body unwieldy and augments the authority of the War Commissar, the Vice Commissars and the Chief of Staff.

In time of war the high command would be in the hands of Voroshiloff, but it is unlikely that he would act as field commander. It is the usual practice of Continental armies that their Chief of Staff is named field commander in wartime, but in the case of the U.S.S.R. it is not improbable that this position would be entrusted to Tukhachevsky, who is recognized, both by Russians and by foreigners, as the foremost military mind in the country. Tukhachevsky commanded the Red forces in the Polish War at the early age of 26.

The question has often been raised abroad as to how far the staff work of the Red Army is efficient. Foreign critics are ready to admit that a "new" army can be equipped and trained in a relatively short period, but they are inclined to deny that there can be any improvisation in the orgainization of a staff college and its instructors and in the highly technical education to be imparted. Nothing could really answer this question but the test of war.

It is, however, a fact that the high command of the Red Army is composed of comparatively young men who are fanatically eager to learn and who work harder than officers of corresponding rank in any other army. Tukhachevsky, moreover, is the author of books on strategy and tactics which have been highly acclaimed by military authorities abroad.

Finally, in practice, the Red Army "demonstration" in Manchuria in the Fall of 1929, at the time of the dispute with the then war lord, Chang Hsueh-liang, about the Chinese Eastern Railroad,

was an example of first-class staff work. It is true that there was little or no resistance. but the accurate coordination of infantry, cavalry, artilllery, tanks and airplanes over several hundred square miles of difficult territory was recognized by foreign military experts as denoting staff work of no mean order.

Another question of interest is whether any foreign officers are instructors in the Red Army. It is beyond doubt that several years ago, during the period of the Russo-German friendship, active officers of the Reichswehr were detached for special service in Russia, principally in the realms of artillery, aviation and chemical warfare. It is possible too, that higher German officers were similarly employed in the Soviet Staff College. But I question whether there are any strictly foreign officers of any importance in the Red Army today.

## Japan Would Like to Have Soviets Reduce Forces Along Border

Establishment of a joint Japan-Russia-Manchukuo border commission to settle disputes arising on the frontier, and reduction of the Soviet military forces massed along the border will be proposed to the Soviet Government soon by the Japanese Ambassador, recent advices from Tokyo stated.

With Russo-Japanese relations improved by the transfer of the Chinese Eastern Railway and with negotiations now under way in Moscow for revision of the fishery treaty between the two countries, Foreign Minister Koki Hirota is said to be of the opinion that the moment is auspicious for approaching the Soviet on the question of border armaments. In reply to a question from Finance Minister Korekiyo Takahashi, Mr. Hirota stated in the Cabinet Inquiry Council session June 17 that with relations between the two countries improved it is both needless and harmful for Russia to continue to maintain such large military forces in the Far East. There are 300,000 Soviet troops in the region, he asserted, adding that such a force constitutes a menace to Manchukuo and Japan, and increases the possibility of the recurrence of frontier "incidents."

### Soviets See No Immediate Danger to Siberia from Recent Nippon Moves

Moscow political quarters, commenting on the present situation in the Far East, do not think that Japan's action in North China presents any immediate danger to Siberia. They emphasize the fact that at the time of Japanese military penetration into Manchuria, the Soviet frontier was threatened much more directly than at present, without, however, causing any violent reactions.

### Soviets Protest Against Anti-Soviet Article Written By American Admiral

A protest against the publication of an anti-Soviet article by Admiral Stirling in the Hearst press was lodged with Soviet Ambassador Troyanovsky in Washington, June 21. Secretary Moore stated that the Navy Department has already indicated that it considers improper the publication of such articles by officers in the American Navy.

### Prison Island Becomes Industrial Center

*Tass* says that Sakhalin Island, which recently celebrated the 10th anniversary of Sovietization, has risen from a humble prison island under the Tsarist regime to a rich industrial province of the Far Eastern region of the USSR.

### Former Ogpu Head Tries to Commit Suicide in Prison

An attempt to commit suicide in prison was made in Moscow, June 22, by Medved, the former chief of the Leningrad Ogpu, who, with his twelve closest collaborators, was sentenced to imprisonment for not having taken sufficient precautions for the safety of the life of the Leningrad party secretary, who was murdered on December 1, 1934.

### Soviets Conclude Contract with Mitsubishi for Soya Beans

The Soviets have concluded a contract with the Mitsubishi Trading Company for the purchase of 10,000 tons of North Manchuria soya beans, forming part of the C.E.R. payment.

### Leak Detector for Ships Invented by Soviet Engineer

M. Nikolaev, a Soviet engineer, has invented an instrument, which placed in the hold of a vessel, produces light and sound signals which are immediately transmitted to the captain's deck the very moment the slightest leak or hole appears in a vessel.

### Soviets Greatly Increase Cotton Cultivation Area

*Tass* reports that the cotton growing area of the USSR has increased from 688,000 hectares in 1913 under the Tsarist regime, to 1,941,000 hectares in 1935. Rotation of crops is largely practiced in order to improve the soil and lucerne is used for this purpose as the best alternating crop for cotton.

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# Bandits in Manchuria Are Army's Major Problem

WITH full-grown kaoliang stalks again providing ideal shelter to outlaws, banditry in Manchukuo looms as a major problem confronting the Japanese Kwantung Army. According to official estimates, 28,000 outlaws are still operating throughout the new Empire despite the combined efforts of Japanese and Manchukuo troops to curb their activities during the last four years. *Rengo* reports that since January this year, Kwantung Army units have had 195 encounters with bandit forces, whose total strength was estimated to aggregate to 14,550. In these conflicts, 142 bandits were slain, while 25 Japanese soldiers were killed and 75 injured. Reports from various suppression corps chiefs reaching Changchun indicate that the outlaws now have a tendency to gang together in large, effective groups and are all well-experienced in the art of guerilla warfare.

To evade discovery by the Manchukuo and Japanese forces, the bandits now don uniforms similar to those of their pursuers and even sometimes carry colors to deceive their opponents. A drastic decrease in the number of these outlaws is impossible unless rural conditions improve, Kwantung Army officers insist.

### General Hayashi Says Army Needs More Money to Fight Bandits

In the course of an interview, General Hayashi said: "During my inspection in Manchukuo, I gathered much data that will be of great assistance for reference in formulating the army budget for the next fiscal year, and on reaching Tokyo I shall explain to Finance Minister Takahashi and the rest of the Ministers the need for an increase in the Manchurian appropriation. The campaigns against bandits, for example, are being carried out on a scale far larger than I had realized. To cope with the situation, the Kwantung Army needs more money. Thus an increase in the army's budget for the next fiscal year cannot be prevented."

### Bandits Raid Manchurian Gold Mine

Four hundred bandits, believed headed by Wu I-cheng and Heng Hsieh-yung, made a raid June 18 on the Tayungchang gold field belonging to the Manchuria Gold Mine Company, near Ningkuta, eastern Kirin, killing several company guards, abducting ten Japanese and "Manchus," and making off with gold booty the value of which has been estimated at 20,000 yuan. Although the defenders, numbering 30 men, resisted the attack for ten hours, the bandits by sheer force of numbers took possession of the mine. The bandits not only set fire to the buildings but also wrecked the machinery, thus putting the mine out of operation. After rounding up ten of the defenders as hostages and after looting the mine, they retreated, well ahead of the punitive force which had been sent out to drive them back.

### Takahashi Doesn't Want Japanese Troops in Manchuria to Be "Mercenaries"

Speaking at the second plenary meeting of the National Policy Council recently, Mr. Takahashi, Japanese Minister of Finance, said the idea of making the Manchukuo Government issue secured loans to finance the defense expenditure there is not acceptable, as to all appearances, it will reduce the Japanese troops to the position of Manchukuo's mercenaries.

Mr. Takahashi further said that the army in Manchukuo should have two objects to serve. One is to preserve domestic peace and order, and the other to provide against foreign invasion. Armaments for the former object will gradually be reduced to normal, with the progress of campaigns against the bandits. Those for defence against outside powers claim most anxious attention.

Since the Manchurian affair, Mr. Takahashi said, Soviet Russia has been suspicious of Japan's attitude, and has consequently been increasing her armaments on the border. If by diplomatic efforts Russia's misunderstandings can be dispelled and the meaninglessness of her heavy defences on the border brought home to her, the withdrawal of Soviet troops from the border districts may ensue. Many difficulties may attend the conclusion of a non-aggression treaty with Soviet Russia at the present moment, but the present international situation cannot be allowed to last interminably. From the financial point of view, if from no other, it is desirable, he said, that greater diplomatic efforts should be made hereafter to alleviate the situation.

### Firms Seek Land in Mukden Industrial Area

More than 250 manufacturing concerns are reported to be negotiating with the Mukden Industrial Real Estate Company for the lease of land for construction purposes. These are at present 15 factories in operation and 19 plants under construction on the more than 7,200 acres owned by the real estate firm in the industrial district of the city. The South Manchuria Railway Company is planning to extend its line to the industrial area.

### New Manchukuo Ambassador Proceeds to Japan

Hsieh Chieh-shih, the first Manchukuo Ambassador to Japan, is scheduled to arrive in Tokyo June 29. The new Ambassador, who was born in Shinchiku Province in Formosa in 1878, is a graduate of the Meiji University in Tokyo. As the chief secretary to Chang Tung in 1917, he figured prominently in the movement for the restoration of the Tsing Dynasty. Among the members of Mr. Hsieh's suite is Torao Kawasaki, councillor of the new Embassy, who was formerly the Director of the Government's Department of Propaganda.

### Dairen-Harbin Trip to Be Covered in 13 Hours from Sept. 1

Through train service between Dairen and Harbin will be inaugurated on Sepr. 1, the South Manchuria Railway Company announced this week. The trip will take 13 hours under a tentative schedule. Passengers have to transfer in Changchun now because the width of the track on the Hsinking-Harbin stretch prevents the use of S.M.R. cars. The track north of Changchun is now being narrowed to standard width.

### S.M.R. Shareholders Approve Yen 150,000,000 Bond Issue

Shareholders of the South Manchuria Railway Company approved at their annual general meeting June 20 the issue of Yen 150,000,000 in bonds asked by the directors as required to carry on the firm's business schedule. One-fifth of the total sum, Yen 30,000,000, will be floated first, the announcement added.

### Alleged Manchukuo Execution Plot Discovered in Dairen

A plot to assassinate leading Japanese and Manchukuo officials, including General Hayashi, Japanese War Minister, on his recent trip to Manchuria, was allegedly unearthed in Dairen June 21. Japanese gendarmerie officers at Dairen this week continued their examination of 22 Chinese arrested in this connection. Two of the detained men, all of whom according to the gendarmerie, belong to the "Blue Shirts" society, were charged with the illegal possession of 60 sticks of dynamite.

### 1935-36 Manchukuo Budget Shows Big Decrease

A cut of 45 per cent has been effected in the Manchukuo state budget for the 1935-36 fiscal year as compared with the preceeding period, an official of the Finance Ministry stated in Hsinking, June 25. The figures for the respective years are Yen 103,990,700 and Yen 188,725,700. The appropriations for military needs include those for national defense and peace preservation with Yen 1,810,000, bandit suppression Yen 1,300,000, contruction of river gun-boats Yen 1,130,000, border defense Yen 1,000,000, and the reorganization of the border patrol forces Yen 550,000.

### Overseas Ministry Selects Emigrants for Manchukuo

Smooth progress is reported in the selection of the fourth batch of emigrants to Manchukuo by the Ministry for Overseas Affairs. The applicants emerging successful from the rigorous tests conducted by the Ministry in the Kwansai and Tohoku districts since June 15, will receive one-month's training beginning June 15. Those passing the tests will be sent to Pinkiang and Sinkiang Province.

## Mrs. Pearl S. Buck Says Picture of China Is One of Confusion

Mrs. Pearl S. Buck, writing in "Time and Tide" on the general theme that there is a lack of the creative spirit in China, says: "No country is more interesting, even in so interesting a world, as China is today. It presents an unprecedented picture of all human history being lived out at the same time and before our very eyes. Here in this one country, at this one hour, can be found ancient and mediaeval peoples and cultures and customs, and yet at the same time the advanced and modern types of life. There are regions where old patriarchal systems exist untouched as they did a thousand years ago and other regions where social transitions exhibit the serious injustices and cruelties of all such transitions upon groups of persons who are at the mercy of the instabilities of changing standards of personal as well as social behavior. And there are a few adequately functioning modern communities which might be found duplicated in any modern State in the world today. But the total picture is one of so much confusion that one cannot blame Chinese patriots for trying to put up a screen of illusion between their country and a curious cruel world. For China these days is as naked and defenseless and self-absorbed as a woman giving birth to a child."

## Five Touring Parties Coming on s.s. "President Grant"

The *s.s. President Grant* of the American Mail Line, which is scheduled to arrive in Shanghai on July 9 sailed from Seattle with five tour parties on board. These parties plan to sail to Manila and return to Shanghai on the *s.s. President Grant*, touring China and Japan more or less extensively and returning to Seattle on a later steamer of the American Mail Line.

The cruise parties are: The Conant Tour; The Babcock Tour; The Jean Lane Party, personally conducted by Miss Lane; The Fourth Annual Dragonland Cruise, conducted by Dr. Howard H. Martin and Dr. Frances M. Earle, both of the University of Washington faculty; and the Oriental Odyssey, conducted by if Orre Nelson Nobles.

## U.S. Opens $4,000,000 Drug Addict Farm in Kentucky

The $4,000,000 narcotic farm established by the U.S. Federal Government in the heart of Kentucky's blue grass country for the segregation and rehabilitation of narcotic addicts was dedicated on May 25. Construction of the huge plant, which covers eleven acres in the center of a 1,000-acre farm tract acquired by the government, began in the Spring of 1932. A similar institution is being erected at Fort Worth, Texas. With all the facilities of a modern city, surrounded by rich farm lands, the institution will be practically self-contained. It has everything from railroad sidings, chicken hatcheries, slaughter houses and sewage disposal plants to a chapel. Shops for garment making, woodworking, automobile repair, plumbing and other trades will afford occupation and vocational training for the inmates. Four large dairy barns, a greenhouse and a utility barn are among the farming facilities. The institution expected to receive at least 300 inmates by July 1. This number were sent from Leavenworth prison in Kansas. Four classes of addicts are to be treated: Those convicted of violation of Federal laws; convicted persons who have already served prison sentences; offenders on probation, and persons seeking treatment voluntarily.

## Dr. Victor Hoo Explains China's Opium Policy in Reply to J. O. P. Bland

Charges made by J. O. P. Bland (who a quarter of a century ago was secretary to the Shanghai Municipal Council) on June 14, that Chinese opium constitutes nine-tenths of the world production and is grown under the protection, if not the orders, of local officials, brought forth a retort from Dr. Victor Hoo, Chinese delegate on the Opium Advisory Committee of the League of Nations, in a letter to the *London Times* June 25. Dr. Hoo first of all refuted Mr. Bland's accusation that he has been diverting the Committee's attention from essential facts. He stated that so far from burking facts, he last November pointedly communicated to the League the Chinese Government's regulations concerning the cultivation and purchase of opium. These regulations show, he continued, that the "Chinese Government, recognizing the impracticalbility of immediate and complete prohibition, has assumed control of opium growing, and has decreed that it shall be gradually reduced with a view to being completely suppressed in 1930. Meanwhile, growing is confined to certain provinces".

## Shansi Continues Campaign Against Narcotics

Over $800,000 worth of opium and narcotic drugs was confiscated and 650 drug manufacturers and traffickers were executed by the Shansi provincial authorities during the past three years. These facts were revealed last week by the provinical government in a report reviewing the opium and drug situation in the province.

### Big Seizure of Opium at Fengtai Station

Disguised as baggage, six willow boxes containing six piculs of opium were discovered in the baggage compartment of the south-bound train of the Ping-Han Railway at Fengtai Station June 13. As no one claimed the boxes, no arrest was made, but the seized drug was sent to Peiping under escort.

## Vatican Names Rev. Francis Ford to Post in China

The Congregation of Propaganda in Vatican City, June 23, announced the appointment of the Rev. Francis Xavier Ford as apostolic vicar to the Mary Knoll Mission in Kaying, Kwangtung, China, and of the Rev. Philippe Cote as apostolic vicar to the Jesuit Mission in Suchow, Kiangsu. Father Ford was born in Brooklyn, New York, in 1892 and since 1912 has belonged to the Mary Knoll Society of Foreign Missions. Ordained a priest in 1917, he left in 1918 for the missions in South China and has been since 1929 the Apostolic Prefect in Kaying. Father Cote was born at Lawrence in the United States, where he has been a member of the Jesuit Society since 1916 and a priest since 1927. He went to China in 1929 and since 1933 has been the vicar delegated to the apostolic prefecture of Suchow.

## Kozlov, Explorer of Gobi Desert, Celebrates Fiftieth Anniversary

P. K. Kozlov, famous explorer of Central Asia, was 72 years old in April last and celebrated the fiftieth anniversary of his scientific activities. Kozlov made altogether six exploration trips into Central Asia. Since his return from this latest trip, he has devoted himself to the preparation of the material gathered on his travels for a complete report of the expedition. Kozlov's diaries, which he has kept daily since his twentieth year, are of exceptional interest to explorers. His home in Leningrad is a veritable small museum, reflecting the peculiar life of the explorer of Central Asia, who has contributed so much to geographical science. He has published a great number of interesting scientific works dealing with the results of his teachers' and guides' travels, as well as books on his own remarkable travels.


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# Generalissimo Chiang Kai-shek in Szechuen

BY S. Y. CHI (簽世英)

GENERALISSIMO Chiang Kai-shek, in an earnest plea to the leaders of Szechuen to work unselfishly for the common welfare of the people, June 3, stated that his presence in Szechuen was not only connected with the suppression of the Reds in the province but also to urge all party, political and military leaders to reform their lives; to work for the rehabilitation and prosperity of rural society; and to understand the great doctrine of national salvation and to build up a new state.

GENERALISSIMO CHIANG KAI-SHEK

**A fresco done by members of the Political Training Department attached to General Chiang's Provisional Headquarters at Wuchang.**

"To my disappointment," said Gen. Chiang, "Szechuen is a house divided, divided into disorder and confusion. The suffering of the people is unsurpassed, to the great detriment of the nation. The fault lies with those responsible for party, political and military duties, because in their brains is one word—'selfishness.'"

Continuing, Gen. Chiang said that these persons had three things to their discredit: they know only their own private gain at the expense, sacrifice and benefit of the nation and the people, and they fight only for their own individual power and position; they have formed bad habits of pride, extravagance and immoral dissipation; and to show their cleverness, they become cunning and treacherous and care for their own private benefit at the expense of others.

"All these things are sufficient to endanger one's life and bring peril to the nation," declared Gen. Chiang. "For your reform, for your salvation, for your own lives and those of the people and the country, you, the leaders in all walks of life, must set yourselves as examples to others. Correct all your mistakes by observing the four virtues—eradicate selfishness, abandon treachery and dishonesty, develop honesty and simple-mindedness, and have strict self-control."

The key-note of victory over the bandits was expounded by the Generalissimo in his second address, June 10, in which he said the method he employed in the bandit suppression campaign in Kiangsi and Hupei was based on "30 per cent military and 70 per cent political power."

In order to develop the "70 per cent political power," Gen. Chiang reiterated that society in Szechuen must be so reorganized as to combine adequate "peoples' power" with the "military power" so that the bandits might be totally suppressed and this menace to the Chinese race wiped out once for all.

The importance of military education was stressed by the Generalissimo in the course of his third address, June 17, in which he disclosed that equal importance was attached to literary and military training according to the Chinese ancient educational system.

Continuing, the Generalissimo said that, in our present educational system, however, there is a wide gap between physical and mental education. This gap must be filled if the nation is to be regenerated and developed.

Referring to the general aversion towards militarists in recent years, Gen. Chiang said that there is nothing intrinsically repugnant in a military man, provided he lives up to the military virtues of wisdom, faithfulness, kindness, righteousness and propriety. He expressed the hope that the military leaders throughout the country will redouble their efforts for the training and discipline of their troops, in fulfilment of their duty to defend the country and protect the people.

In conclusion, the Generalissimo referred to the arts of etiquette, music, archery, charioteering, calligraphy and mathematics, which comprised the general education of our forefathers. In these six arts, he added, adquate training was provided not only for the mind but also for the body.

Turning his attention to the military leaders of Szechuen, Gen. Chiang advised them, June 20, to be less prone to criticize others and instead to practice more self-control. "Keep to your training and discipline, and strive for improvement under the leadership of Gen. Liu Hsiang," was his advice as the panacea for military chaos in Szechuen.

Wuchang, June 22, 1935.

## Another Reason Why Germany May Get Back African Colonies

(*From "The Christian Century"*)

It is likely that there are deep reasons why the British in Africa are finding the idea of granting Hitler colonial concessions there at least a subject for consideration. The truth is that the policy of white occupation, no matter how carefully administered, is leading toward a future crisis against which the more farsighted whites would like to begin to prepare without delay. Underneath these first approaches to Hitler is the hope that, when the day of black wrath bursts, there may be white solidarity to confront it. The psychological attitude of hosts of whites in the Union of South Africa and in the colonies farther north is not greatly different from that of whites in the black belt of our own deep south. Bearing the white man's burden has involved them, they are coming to see, in the white man's peril. And even the idea of handing territory back to the Germans does not sound too fantastic when it is argued that it means racial allies in a future day of storm.

## Chinese Delegate at Geneva Says Foreign Settlements Hamper Social Legislation

Li Ping-heng, governmental delegate from China to the conference of the International Labor Office at Geneva, expressed his opinion June 15 on the current economic situation. He said it was his firm conviction that nationalistic attempts to solve the problem, when they are in harmony with a plan of international collaboration, will result in general recovery in a more immediate future. Despite obstacles of all sorts, the government of China is not neglecting its duty to protect the rights of the working classes, he declared. He went on to describe the social legislation in effect in this country, pointing out the difficulties in the situation, which lie largely, he said, in the fact that Settlement authorities will not permit inspection of the factories in foreign-operated Settlements.

## Campaign Against Illiteracy to Begin July 1

All preparations are being completed for the launching of the largest and the best organized campaign against illiteracy on July 1 under the direction of a special committee headed by Mayor Wu Te-chen and Pan Kung-tsuan, commissioner of the Education Bureau of Greater Shanghai. Two hundred and twenty "character-reading" schools, to be manned by more than 200 specially trained teachers, are scheduled to throw open their doors to enroll students of all ages and both sexes in order to make the army of 430,000 illiterates now residing in the areas under the jurisdiction of the City Government able to read and write at least 600 characters each.

The schools are distributed proportionately according to the population in various municipal districts under the City Government. In all of the schools, six classes will be conducted each day with 50 students in each class.

## Japan Suggests Tri-Party Non-Aggression Pact

Tokyo newspapers June 25 reported that the Government intends to communicate to China its readiness to consider the conclusion of a non-aggression pact between China, Manchukuo, and Japan, and to enter into economic co-operation with China following an amicable settlement of the aftermath of the North China and Charhar incidents, which is expected shortly. It is stated, however, that, prior to the conclusion of a non-aggression pact, the Japanese Government will ask the Nanking Government to suppress anti-Japanese agitation throughout China and settle all outstanding problems between China and Japan. Japanese military circles are of the opinion that a non-aggression pact could not be concluded between China, Manchukuo, and Japan unless China recognized Manchukuo.

# China's Budget Passed at $957,154,006

The National Budget for the 24th fiscal year (July 1, 1935-June 30, 1936), balanced at $957,154,006, was finally passed at the 22nd meeting of the Legislative Yuan held June 21 under the chairmanship of President Sun Fo, in accordance with the joint report of the Yuan's Finance, Legislation, Foreign Affairs, Economic and Military Affairs Committees.

A set of Regulations, consisting of six articles, governing the Enforcement of the National Budget for the 24th fiscal year —drafted by the Finance, Legislation, Foreign Relations, Economic and Military Affairs Committee—was passed after revision.

The Bankruptcy Law was then submitted for consideration. A report on the drafting of the law was made by Dr. Foo Ping-chang, convener of the meetings of the Civil Law Committee. Chapter I, "General Principles," and Chapter II, "Compromise," passed the second reading with revisions before the meeting adjourned at noon. At the afternoon session, Chapter III, "Bankruptcy," and Chapter IV, "Penalties," passed the second reading with some revisions. The entire law, consisting of 119 articles, was finally adopted.

Dr. Ma Yin-chu, in introducing the Budget and the set of Regulations governing its enforcement, said the procedure for the compilation of the new Budget shows an improvement upon those of previous years, in that at the very outset, a special Budgetary Planning Committee had been appointed by the Government to make a systematic compilation and to rationalize the receipts and expenditures. Secondly, unlike the budgets for previous years, which were submitted to the Legislative Yuan either after the expiration of the fiscal year for which they were compiled, or months after commencement of the fiscal year, the present Budget had been submitted to the Yuan before the commencement of the fiscal year for which it was intended.

The Budget figures are as follows :—

ESTIMATED REVENUE

(*Ordinary and Extraordinary*)

| | |
|---|---|
| Customs Revenue | $341,361,400 |
| Salt Revenue | 184,219,044 |
| Tobacco and Wine Taxes | 22,349,186 |
| Stamp Tax | 12,000,000 |
| Consolidated Taxes | 113,298,177 |
| Mining Tax | 3,873,124 |
| Stock Exchange Tax and Tax on Exchange Transactions in Stocks and Commodities | 1,950,000 |
| Income Tax | 5,000,000 |
| Tax on Bank Notes Issue | 1,600,000 |
| Government Property Receipts | 8,846,850 |
| Government Enterprise Receipts | 20,855,022 |
| Government Administrative Receipts | 10,931,989 |
| Receipts from Government Business Enterprises | 40,268,851 |
| Remittances from Provincial Governments | 3,768,000 |
| Proceeds from Loans | 70,000,000 |
| Miscellaneous Receipts | 116,832,363 |
| Total | $957,154,00 |

ESTIMATED EXPENDITURE

(*Ordinary and Extraordinary*)

| | |
|---|---|
| Party Expenses | $ 5,870,800 |
| Expenses of the National Government Council and organs directly subordinate to it | 12,578,672 |
| Military Expenses | 321,000,000 |
| Interior Affairs Expenses | 4,371,308 |
| Foreign Affairs Expenses | 9,401,295 |
| Financial Affairs Expenses | 66,011,343 |
| Educational and Cultural Affairs Expenses | 37,211,621 |
| Judicial Affairs Expenses | 2,834,805 |
| Industrial Affairs Expenses | 4,389,780 |
| Communication Affairs Expenses | 4,929,122 |
| Mongolian and Tibetan Affairs Expenses | 1,722,844 |
| Reconstruction Affairs Expenses | 36,374,890 |
| Subsidies | 101,980,989 |
| Disbursements for Government Business Enterprises | 60,971,166 |
| Compensation and Awards | 4,936,699 |
| Loan Service obligations | 274,803,299 |
| Second Reserve Fund | 7,766,293 |
| Total | $957,154,006 |

**Income Tax to Yield $5,000,000 Annually**

With the levying of income tax beginning the 24th fiscal year, it is estimated that a yearly revenue of $5,000,000 will be added to the national treasury. According to the draft regulation, income tax is set aside as a national tax, and is leviable on (1) income earned by joint stock companies, business firms, factories and warehouses with capital of over $3,000, or by non-permanent enterprises, and (2) income, including salaries, bonus, gratuities, etc., earned by public functionaries and other wage earners.

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# Russia and the Far East

BY H. V. BISTROFF

*(Translated and Condensed from "Novosti Dnia")*

THE future of the Chinese Eastern Railway has always been indistinct. According to the treaty, which was the basis of its construction, China might buy the railway back; and in 1963 she could get it *gratis*. Now Russia has sold the railway prematurely and at a price which was too low. Russia must now concentrate her attention on the strengthening of her own posts and territory.

There exist two menaces to the Russian Far East. First is the military occupation and industrial exploitation by Japan, although about this many articles have been written already. Second is the assimilation of Russian population by Chinese immigrants.

Among the inhabitants of the Russian Far East there is a great number of Chinese. Part of the population of Zabaikaliya, especially of the Mongolian Republic, in respect of the racial origin, is akin to Chinese. And also the practice of mixed Russo-Chinese marriages teaches us, that when Russian women marry Chinese, the children and the mother herself become, for the most part, Chinese. Therefore the peopling and colonization of the Russian Far East from European Russia will save the purity of the blood of the population of these regions. This is the only way to create reliable backing for Russian ports in Eastern Asia.

### Russia Should Dominate Eastern Asia Seas

The importance of these ports and Vladivostok in the first place depends on the international and the Russian economic condition and on the cultural progress of mankind. For the purpose of the economic development of Siberia it is important for Russians to dominate the sea of Eastern Asia. And we cannot think about Siberia as the land of the future "without her own sea ports."

Russia's need for Vladivostok is vital, because the importance of the Pacific basin for the economy of the whole world grows every moment. It is true that the Far Eastern situation has now very much changed and, for Russia, Vladivostok is no more "the window to the Pacific," but only the window to the closed Yellow Sea, beyond which the ocean lies.

On the Far East front, Russia may fight only with Japan. Even in such a case, a Japanese fleet would dominate the Yellow Sea, because Russia will not be able to have a fleet equal to the Japanese for quite a long time. So the Okhotsk Sea, Sakhalin and Kamchatka become places of the greatest importance.

As soon as the centre of American economic life moves to the West, a connection will be maintained through Vladivostok, San Francisco and the ports of Okhotsk Sea. In summer time the communication between North America and Asia will lie through Kamchatka, as the shortest way between these two continents.

The partners of Russia on the Far East, her possible friends or enemies, are the United States and Japan. China is out of question, because at the present time, as the Japanese say, she has more of a geographical, than a political, meaning.

There are no controversies, cross-interests or mutual suspicions and fears between Russia and United States. Even if there exist some misunderstanding of unimportant questions, as propaganda, debts, etc., they depend on the nature and policy of the Communist Government and not on the substance of Russian interests.

### America's Interest in Russia

America is interested in Siberia as in "the Land of the Future" and there is an advantage without any danger in such an interest. American policy of extenstion means no colonization, not even the import of goods, but the import of specialists and capital.

So, what we mean by the participation of the United States in the development of Siberia, is not the peopling of said country by Americans, nor an invasion of it by American goods or taking out the useful minerals, but in the way of helping to establish said enterprises there. As the U. S. never combines economic penetration with political usurpation, said country is Russia's natural co-operator in the Far East.

If Japan should extend her economic and political influence in the South-Chinese direction, she will probably never come into collision with Russia—because only the Comintern has interests in China, but not Russia. Only from England Japan might meet political, but not military, opposition.

The United States have not such important interests in China as is commonly believed, and acting in this direction, Japan will meet less resistance from the U. S. than acting in the direction of Siberia.

As to Russia, it is absolutely clear that she will not permit any one to touch her Far Eastern ports or territory. And it will not be so easy to involve Japan in a war with Russia, because Japanese policy is not only peremptory, but deliberate also.



# Two Hundred and Fifteen Pupils Are Graduated at Shanghai University

The annual commencement exercises of the University of Shanghai were held June 21, when 215 pupils received their diplomas—99 of them College graduates; and 116 Middle School graduates. Thirty-one of the College graduates were women. Highest honors were given to:—Miss Hu Gien Sien, Miss Ho Shou Tien, Miss Chang Deh Yi, Li Ren Mai Wan, Gwoh Djou, Dai Gwoh Yung, Pan Siu Djen and Hsu Tsoo Chiung. Dr. V. K. Wellington Koo spoke on "The Right Road After University Graduation." Dr. Koo was also the main speaker at the annual alumni banquet held in the New Asia Hotel. President H. C. E. Liu reported that the University has had the best academic year in its history; in spite of the economic depression the University was able to balance its budget.

### 112 Are Graduated from Nankai University

One hundred and twelve members of the graduating class were awarded diplomas at the Commencement Exercises of Nankai University, the well-known private university founded by Dr. Chang Po-ling, held in Tientsin, June 23.

### St. John's University Holds 56th Commencement

St John's University, Shanghai, held its fifty-sixth commencement exercises June 22, when 73 graduates were given degrees. Dr. F. L. Hawks-Pott, President of the University, in an address said the enrolment during the year had been so large that the University had reached the limit of its present accommodations. An address was delivered by Dr. H. H. Kung on "the proper attitude college students should have towards life."

### Education Ministry to Aid Private Universities

Grants-in-aid, amounting to $590,000, will be appropriated by the Ministry of Education to forty private universities throughout the country. Of this amount, it is understood $188,000 will be earmarked for the payment of salaries and the balance of $402,000 for the improvement of equipment.

### Education and Culture Well Provided for in National Budget

The expenditure for education and culture during the 24th fiscal year (July 1, 1935-June 30, 1936) will be $37,211,621, as provided in the new National Budget approved by the Legislative Yuan. Of this sum, $1,961,042 is for the Ministry of Education and its subordinate organs, $13,827,081 for the various national universities and colleges, $1,560,000, for the national institutes of research, $16,800 for the education of the orphans of Revolutionary martyrs, $2,400,000 for free education, $14,800,000 for special civic education in the bandit-recovered areas, and $496,500 for the first reserve refund. A sum of $2,150,196 will go towards extraordinary expenses.

### $300,000 Allotted for Mass Education in Kiangsu

Active steps will be taken with the beginning of the 24th fiscal year (July 1) for the enforcement of free education in Kiangsu province. A sum of $300,000 has been allotted for this purpose, of which half will be appropriated by the Central Government and the other half by the Provincial Government.

### Two Schools in Peiping Will Likely Move South

Two schools in Peiping—the Northeastern Middle School and the Northeastern University, both of which were formerly located at Mukden—will be removed shortly, according to the *Chen Pao*. The Northeastern Middle School will be removed to the Chikungshan, in Honan, during the summer vacation, and the Northeastern University to Tungkwan, on the border of Honan and Shensi.

### "Practical Difficulties" Prevent Examinations in Hopei

Owing to practical difficulties arising through the removal of the seat of the Hopei Provincial Government to Paoting, the joint Government examinations for graduating students of middle and normal schools in Hopei province will be suspended this year.

### Five Academic Institutes to Hold Joint Annual Meeting at Kweilin

Kweilin, Kwangsi Province, has been chosen as the venue for a joint annual meeting Aug. 5 to Aug. 12, of five academic societies, namely the Science Society of China, the Chinese Engineering Association, the China Geographical Society, the Chinese Botanical Association, and the Chinese Zoological Association.

# "Recalitrant" Students Are Dismissed from Sun Yat-sen University at Canton

Thirteen more "recalcitrant" students were dismissed at Canton, June 15 by the Chancellor of Sun Yat-sen University, Chow Lu, bringing the number up to 30 since May 31. In a notice concerning the reason for their dismissal, the Chancellor stated that, on June 7—the date fixed for the graduation exercises—these 13 students created disturbances and tried to prevent their fellow-students taking the examinations. They stoned the Dean's office and manhandled students who intended to take the exercises.

# Japanese Start Work on Two Douglas Air Liners

Work on the first two Douglas air-liners to be built in Japan was started June 21, at the Nakajima Aircraft Manufacturing Co.'s plant in a Tokyo suburb. The ships will be used by the Japan Air Transport Co. for use on its projected new service between Tokyo and Taihoku, Formosa, to be inaugurated early next year. The first two planes are expected to be completed by the middle of September. Rights to build the Douglas air-liners in Japan were secured by the Nakajima Co. at a reported cost of Yen 800,000, the designs alone costing Yen 200,000. Wright Cyclone motors of 700 horse-power each, to be installed on the planes, will be imported from America. With the exception of a few alloy parts, the planes will be built entirely of Japanese products.

**Chinese May Refuse Pan-American Permission to Land at Canton**

Perpetual arguments between China and Japan are reported to be threatening to interfere with the trans-Pacific air mail plans of the U.S. Post Office Department. Postal officials in Washington, June 19 said the Japanese sought to operate a Tokyo-Canton air line but were refused permission by the Chinese authorities. Now the Chinese, the officials said, have refused Americans permission to land at Canton for fear of offending the Japanese further. As a result of this coufusion, Pan-American Airways officials have begun negotiations to ascertain the possibility of using either Hongkong or Macao for their Oriental terminus.

**Civil Aviation in Japan to Expand**

Japanese airplane manufacturers are embarking upon an intensive program to advance civil commercial aviation. Mitsubishi interests purchased two British Airspeed passenger planes which will be delivered in July. The firm expects to obtain the rights to produce them domestically. British planes will also be used on the Japan-Manchukuo service.

**Alleged Huge Aviation Defalcation in Canton**

A sensation has been created in Chinese circles in Canton by the report that the head of the Business Administrative Department of the Canton Air Force had embezzled $1,300,000 belonging to the air force. An investigation is now being conducted, while a warrant has been issued for the arrest of the official.

## Pan-American Clipper Flies Back to California Base from Honolulu

The "Flying Clipper" of Pan-American Airways completed a successful test of her powers in unsettled weather conditions when she arrived back in San Francisco Bay June 22, 18 hours and 59 minutes after leaving Honolulu. In her outward voyage last week, the Clipper set up a new record of 17 hours and 58 minutes for the 2,400-mile journey from San Francisco to Honolulu. The flight just concluded was the second experimental one over this part of the 8,500-mile route between San Francisco and the Far East.

**Refrigeration and Aviation**

Thus the *Japan Chronicle*:—"The Pan-Pacific clipper carried a very valuable cargo on its initial trip to the Midway Isles—a print of the latest Mae West film, and nine gallons of ice-cream. The test of refrigeration surely was masterly. Unless, that is, Miss West is slipping.

**Seventeen Killed in Air Collision at Panama**

Seventeen persons, including the famous Argentine tenor and film star, Senor Carlos Gardel, were killed June 25 in a collision between two aeroplanes which occurred at the Medelling airport, in Panama.

## British-Built Autogiro Demonstrated in Shanghai

Shanghai saw something new in the airplane line June 21 when an autogiro, designed by Senor de Cierva and built in England by Messrs. A. V. Roe and Co., Ltd., was demonstrated at Lungwha. The demonstration was made under the auspices of Messrs. Aircraft (China) Ltd., who represent both Messrs. Roe and the Cierva Co. Flight Lieutenant A. D. Bennett was at the controls. The autogiro, nicknamed "flying windmill," has no wings and overcomes some of the limitations of the orthodox type fixed-wing airplane, principally the danger of stalling with loss of forward speed, inability to land in confined areas, and long unobstructed take-off run.

The autogiro which was demonstrated on Friday is a light but sturdy two-place affair in which the pilot sits in the rearmost of two tandem seats and the passenger sits forward, in a body of orthodox construction, behind a 140 horsepower radial Armstrong Siddley Genet Major engine. Cruising speed is given as 90-95 miles an hour, maximum speed 110-115 miles an hour, landing speed nil, landing run nil, duration four hours, 900 feet climb per minute from sea level, ceiling 17,000 feet.


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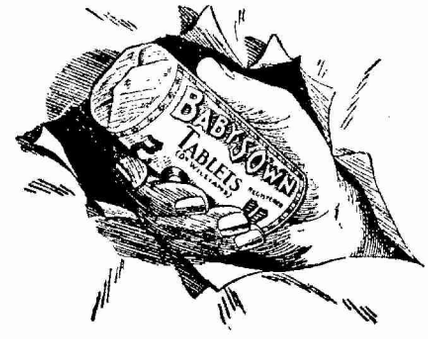


## Here's Health for Your Baby!

Attention to little details by the mother makes all the difference to a child's progress. More particularly during the summer months is it imperative that every precaution be taken to safeguard the little one's health.

Many of childhood's summer ailments emanate from the stomach and intestinal tract, delicate organs which are so easily subject to chills, and so quickly upset by food which does not agree.

A preparation specifically designed for the prevention as well as correction of summer health troubles in infants and young children is Baby's Own Tablets. The prescription of an eminent child-specialist, these tablets are a safe and effective cooling, soothing, mildly laxative medicine, suitable equally for the youngest infant in arms as well as for those of more advanced age. They are guaranteed absolutely free from harmful ingredients.

If your child is feverish, peevish, constipated, has ill-smelling breath, furred tongue, you may be sure that his stomach is upset and his need is Baby's Own Tablets. Or if his teething is troubling him, his bowels are over loose, he has a cold, is 'croupy', or is bothered by worms, Baby's Own Tablets again are just the right remedy. Of chemists everywhere.

73-187

# N.E.C. Announces Huge Rehabilitation Program

The National Economic Council issued a statement June 23 giving details of the program it has drawn up for the present year. The program calls for:—(1) Rural rehabilitation, especially irrigation in the arid North West. The following projects are either under execution or have been already completed: Repair and completion of the Weipei Irrigation System in Shensi. Construction of the Loho irrigation system in Shensi, construction of a series of smaller irrigation systems in Kansu and Ninghsia, construction of the irrigation experimental station of T'sui Shing Ku in Hopei, construction of a "grass dam" in the outlet of the Hungtze Lake near Chingpa and construction of regulated overflows in the canal from the Hungtze Lake to the sea; (2) Flood prevention, and especially, in view of the recent flood menace, with the age-old problem of the Yellow River; (3) Inland navigation, among the work now in progress being improvement of the Soochow Creek, improvement of the navigation route from Tsinan (Shantung) to the sea, and an operation to connect navigation between the Yellow River and the Grand Canal. There is also a program for surveying inspection and research.

### Fukien Province Fosters New Industries to Speed Up Rehabilitation

To help in the early rehabilitation of the bandit-devastated districts in northeastern Fukien, the provincial Government has decided to establish machine-shops, tea factories and agricu'tural experimental stations in Fu-an and Shekow.

### Lo Wen-kan Completes Mine Survey in Kwangsi

Dr. Lo Wen-kan, formerly Minister for Foreign Affairs in the National Government, returned to Canton last week from an extensive tour in Kwangsi, where he studied the possibility of opening up mines in the province.

### Finance Ministry Rules Against Restoration of Stamp Examination Committee

The request of the National Associated Chambers of Commerce for the restoration of the Stamp Tax Examination Committee to deal with cases involving violation of the Stamp Tax regulations has been rejected by the Ministry of Finance.

### Shanghai Shopkeepers Ask for Loans Totalling $30,000,000

Requests for loans have been filed by Shanghai shopkeepers for a total of $30,000,000 with the Shanghai Commercial and Industrial Loans Committee through the four following bodies:—The Chunghwa Native Goods Maintenance Association, the Native Goods Factory Owners Federation, the Machine Made Goods Factory Owners Association, and the Shanghai Citizens Native Goods Promotion Association.

The establishment of a trade revival committee to study measures for the relief of local business and the submission of a petition to the government urging control of China's import trade and foreign exchange were among important resolutions adopted at the sixth general meeting of the Shanghai City Chamber of Commerce held June 23. The trade revival committee will be organized by the executive committee of the chamber. Economists and commercial and industrial leaders of high standing will be invited to serve.

### General Chiang Suggests Change in Railway Scheme

Diversion of the Yushan-Nanchang-Pingsiang section of the Chekiang-Kiangsi Railway to form part of the Nanking-Hunan Railway scheme is suggested by General Chiang Kai-shek, President of the Military Affairs Commission, in a recent despatch to the Ministry of Railways.

### Peiping-Hankow Line Buys 20 Locomotives

The Peiping-Hankow Railway Administration, in a memorandum to the Ministry of Railway, reports that the Administration is placing an order in Europe for 20 locomotives at a cost of $6,100,000.

### Direct Motor Traffic Between Shanghai and Nanking Expected Next Month

Direct motor-traffic between Shanghai and Nanking will be possible some time in July, according to a statement showing the progress of highway development in China. Over 18,920 kilometers of motor roads have been constructed since May, 1932, in the various provinces under the direction of the National Economic Council, and through motor traffic is now possible over 31,000 kilometers of national highways. Up till June 15, 1935, loans amounting to $8,470,000 have been advanced by the Council to various provincial governments for highway construction. When the Council completes its construction program, through motor traffic will be possible throughout seven provinces. The Shanghai-Nanking, Shanghai-Kwangsi, and Honan-Canton highways will be ready for through motor traffic either this month or next. The Council is proceeding with its highway construction work in Kiangsu, Chekiang, Anhuei, Kiangsi, Hupeh, Hunan, Honan, Fukien, Shensi, Kansu, Szechuen and Kweichow provinces.

### Hupeh To Establish Bureau of Highways

The Hupeh Provincial Government has decided to establish a Provincial Highway Bureau to take charge of highway construction work in the province. After its establishment, the three existing bureaus in charge of the Siangyang-Huahsien, Hankow-Ichang, and the eastern Hupeh highways will be abolished in order to unify administration.

### Kweichow Government Adopts Plans For a New Highway Bureau

The Kweichow Provincial Government, at a meeting at Kweiyuang, June 19, passed provisional regulations governing the organization of a Provincial Highway Bureau. The Provincial Commissioner of Reconstruction will be concurrently Director of the Bureau.

## China's Amazing Progress in Road Building

The Nanking correspondent of the *N. C. D. News* of June 17 gave details of the amazing increase in the mileage of roads in China. This road building has been one of the most portentious but unrecognized events in modern history, and the result of such an overwhelming change in China's agricultural communications is certain to be most far-reaching. It is not generally realized that within a very short time, it will be possible, by using roads of varying quality, and making some detours, to motor from Canton to Peiping; nor does the Shanghai resident know that so far from Hangchow and Chekiang being his only objectives by car, he can motor, on metalled roads, to Nanking and Changsha, and, if he is prepared to face earth roads and deviations, can reach not only Hankow, but Kaifeng, Tsinan, and Tsingtao, while within one year he will be able to go all over the country.

## Shanghai's May Trade Shows Adverse Balance of $32,056,366

Shanghai's foreign trade during May resulted in an adverse balance of $32,056,366, bringing the total import excess over exports for the first five months of the year to $153,664,930. During the month, exports were valued at $20,050,245, showing a drop of $981,050 from $21,031,295 of April and a decline of $5,814,674 as compared to the exports in May 1934 when they were valued at $25,864,919. Imports also recorded a decline. The May values were $52,106,611 as compared to $54,526,330 in the corresponding period last year and $56,856,198 in the preceeding month.

## China Is Upheld in R.C.A. Radio Dispute

Arbitrators ruled at The Hague June 10 that despite the fact that the Radio Corporation of America has a preferential position in radio traffic in China, agreements between the United States and China do not prohibit the Chinese Government from entering into subsequent agreements with the Mackay Radio & Telegraph.

### Mackay Radio Not Affected by Postal Telegraph Reorganization

Announcement was made last week by officials of Postal Telegraph and Cable Corporation that, pursuant to authorization of the Board of Directors given at the meeting of the Board held on June 14, 1935, a petition for reorganization of the corporation under the provisions of section 77-B of the Act of Congress of June 7 of last year, providing for corporate reorganizations, has been filed with the District Court of the United States for the Southern district of New York. The reorganization proposed is that of the holding company and not of the operating companies; therefore, Postal Telegraph, Commercial Cable and Mackay Radio operating units, are in no way affected.

## Eminent Scholars Chosen for Deliberative Council of Academia Sinica

Thirty eminent scholars and scientists from all over the country were elected members of the newly created Deliberative Council of the Academia Sinica, at a meeting held in Nanking, June 20 under the chairmanship of Dr. Tsai Yuan-pei, President of the Academia Sinica, who is also concurrently Chairman of the Council. The members are divided into 12 groups as follows:—Physics, chemistry, engineering, zoology, botany geology, astronomy, meteorolgy, psychology, sociology, history, philology, archaeology, and anthropology.

# Who's Who in China

Kuo Wei-pai, Government official; born at Lichwan, Kiangsi, 1901; B.A. Peking Government Teachers' College, 1922; lecturer, National Kwangtung University, Canton, 1922-24; chief, Secretariat Division, and concurrently secretary, Young Men's Department, Central Kuomintang Executive Committee, 1924-26; Editor-in-Chief, *Young China Morning Post*, San Francisco, 1926; M.A. in Political Science, Columbia University, 1927; J.S.D. New York University, 1930; lecturer, National Normal University, Peiping 1930-31; member, Planning Committee of Extraordinary Convention, Central Kuomintang Executive Committee, 1931; professor, School of Law, Sun Yat-Sen University, Canton, 1931-32; chief, General Affairs Department, Bureau of Foreign Trade, Ministry of Industry; member, China Commission, International Exposition, Chicago, 1932-34; now, Vice-Director, Bureau of Foreign Trade, Ministry of Industry; member, Commercial Treaty Commission, Ministry of Industry; Managing Director, The Nation Monthly Association; author of "Comparative Study of Constitutions", "War-time International Law", "The Diplomacies of World's Powers", etc.; address: Bureau of Foreign Trade, 1040 North Soochow Road, Shanghai.

郭 威 白
Kuo Wei-pai

郭威白，江西黎川人，現年三十五歲，民國十一年，國立北京師範大學文學士，民國十一年至十三年，任國立廣東大學講師，十三年至十五年，任中國國民黨中央執行委員會文書科科長，兼青年部祕書，十五年任美國三藩市少年中國晨報總編輯，十六年，美國哥倫比亞大學政治學碩士，十九年，美國紐約大學法學博士，十九年至二十年，任國立北平師範大學講師，二十年，任中國國民黨中央執行委員會非常會議設計委員，二十年至二十一年任廣州國立中山大學法學院教授，二十一年至二十二年，任實業部國際貿易局總務處主任，中華民國參加芝加哥博覽會籌備委員，現任實業部國際貿易局副局長，實業部商約研究委員會委員，民族雜誌社主持人，著作有比較憲法，戰時國際公法及世界各國外交政策等，通訊處：上海北蘇州路一〇四〇號，實業部國際貿易局。


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# In the United States Court for China

| | |
|---|---|
| ALEXANDRIA TRUMBULL, Plaintiff, vs. JOHN P. E. TRUMBULL, Defendant. | Cause No. 3882<br>Civil No. 1818<br>ORDER<br>Filed at Shanghai, China, June 12, 1935.<br>William T. Collins, Clerk,<br>L. T. Kenake, Asst. clerk |

The object of this suit is an action for divorce:

WHEREAS, plaintiff herein, by her attorneys, has this 12th day of June, 1935, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 12th day of June, 1935, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 12th day of June, 1935, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since the last four years and that defendant's last known address was c/o Browning's Cafe, Shanghai, China.

NOW, THEREFORE, it is this 12th day of June, 1935, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 29th day of June, 1935, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 12th day of June, 1935.

MILTON J. HELMICK,
*Judge.*

# Men and Events

The death occurred in Peiping June 22 of J. N. Behrens, Second Secretary to the British Embassy.

Reginald Sweetland, former correspondent of the *Chicago Daily News* in China, is at present stationed in Vienna.

Sir Frederick Maze, Inspector-General of Customs, is making an inspection tour of various Customs Houses in South China.

*Current History* announces that it will shortly publish an article entitled "Behind the Screen of Chinese Censorship," by Edgar Snow.

The Shanghai Municipal Council weekly returns from the Public Health Department indicate that up to the present period Shanghai is free from cholera.

On the thirteenth anniversary of the death of Dr. Wu Ting-fang, famous statesman and diplomat, a memorial service was observed in Canton June 23.

The Rev. E. W. Luccock will resume his pastorate of the Shanghai Community Church August 10. Mr. and Mrs. Luccock are now on a holiday in the United States.

Edward Bing-shuey Lee, editor of the *Chinese Republic*, addressed the weekly tiffin meeting of the Shanghai Y's Men's Club June 25 on "Whither China, Japan?"

Overseas Chinese in New York City have been hard hit by the business depression. About 32,000 out of the 80,000 Chinese residents there are now without employment.

Aw Boon Haw, well-known Chinese medicine manufacturer and philanthropist, passed through Shanghai this week enroute to Singapore from a trip to the United States.

In sharp contrast to Shanghai, which has enjoyed exceptionally cool weather for this time of the year, the temperature at Tientsin rose to 111 degrees in the shade June 25.

H. E. Arnhold, Shanghai Municipal Council chairman, sailed for Europe this week. During his absence, the vice-chairman, W. P. Lambe, is discharging the duties of chairman.

The death occurred at his native home of Changsha June 23 of Tseng Meng-pu, late government official and author, and father of Tseng Hsu-poh, editor-in-chief of the *China Evening News*.

Arthur G. Robinson, who conducts the Handicraft and Hobby Shop at Tientsin and Peitaiho, sailed this week on the s.s. *President Jackson* for a brief business trip to the United States.

As the result of the interruption of the Shanghai-Nagasaki cable for several days this week the Chinese Government Radio Administration handled a greatly increased volume of traffic between Shanghai and Japan.

Dr. Wellington Koo, Chinese minister to France, will depart from Shanghai on his return to Paris in the middle of July in readiness for the general meeting of the League of Nations to be held on September 16 at Geneva.

The 1,000 cases of ancient Chinese art relics which form the private collection of Dr. John C. Ferguson, are being exhibited in the Wen Hua Tien in the Forbidden City. They have been handed over to the Peiping committee.

The Shanghai Municipal Council has momentarily abandoned plans for building a domestic science block at the Public School for Girls, Yu Yuen Road, and for an assembly hall at the Public School for Junior Boys, on account of present financial conditions.

The Russian Orthodox Mission in China celebrated its 150th anniversary June 23. In addition to services in the Russian churches in Shanghai, a service was held in the evening in the English cathedral, in which British, Russian and Chinese priests participated.

Dr. and Mrs. R. J. McMullen and two children, of the Southern Presbyterian Mission, sailed this week on the s.s. *President Jackson* for a two years furlough to be spent in America and Scotland. Dr. McMullen is Provost of Hangchow Christian College.

At the fifth meeting of the Standing Committee of the Board of Directors of the Peiping Palace Museum held in Nanking June 20 (Dr. Tsai Yuan-pei presiding) it was decided that the cultural relics in Shanghai and Peiping be readjusted and simultaneously taken over.

The death of the Rev. T. N. Thompson, well known missionary in Shantung, occurred in the Cheloo University Hospital June 23. Mr. Thompson, who received his education in Muskingum College, Ohio, and in the Western Theological Seminary, Pittsburgh, came to China under the Presbyterian Mission in 1901.

Several hundred cabin-boys on the s.s. *Hsin Kiangteen*, of the China Merchants' Steam Navigation Company, who recently registered with the Company, are opposing a new system introduced by the management whereby they will be paid a fixed wage of $16 in addition to a food allowance of $5 each with the practice of demanding tips from the passengers being strictly prohibited. The employees state that the introduction of the system will result in their income being curtailed.

The Shanghai Foreign Settlement is conducting a drive against slot machines, most of which are smuggled in, as the Chinese government forbids their importation. In the French Concession slot machines are operating under licenses, but it is stated that the Concession authorities are planning to follow the Settlement's example in the near future.

A crowded house at the Carlton Theater in Shanghai greeted the performance June 24 by a Chinese company of "Lady Precious Stream," a Chinese play presented in Chinese style but with the text translated into the English language. A feature of Chinese plays is that the stage settings are exceedingly simple, the "properties" being left mostly to the imagination.

Liang Yu-kao, legal adviser to the Executive Yuan of the Chinese Government, who is on a tour of South Africa, India, the Netherlands East Indies and other places in the Far East, inspecting the Chinese consulates under the auspices of the Ministry of Foreign Affairs, was received in Johannesburg June 23, by General Hertzog, prime minister of the Union of South Africa.

W. J. Fronk has been elected by the American Club to the position of Acting President, while P. S. Gilman, the president of the Club, is at home in the United States. Other new officers include D. M. Simmons as treasurer, L. B. Mallery, honorary secretary, and a new committee composed of Carl Crow, C. B. Morrison, Carl Conrady, G. F. Schecklen, J. Fistere, Jr., and A. A. Gormely.

Two new first-class sleeping cars, recently ordered by the Wagon-Lits Car Company from Europe, are due to arrive in Shanghai this week, to be placed on the service of the Peiping-Shanghai through express. The Wagon-Lits Company has requested the Ministry of Railways to dispatch special delegates from the Shanghai-Nanking and Tientsin-Pukow Railways to inspect the new cars upon their arrival.

A conference of Japanese judicial consuls stationed in China —the first in six years—will meet in Shanghai for three days beginning July 1. The agenda of the meeting will include the coordination of the official routine work between the Home Office and the judicial consuls in China and among the judicial consuls themselves, and the principles governing the consular guidance of Japanese residents in China.

Mr. and Mrs. E. A. Turner and their two sons are spending several days in Shanghai before sailing July 1 on the s.s. *Scharnhorst* for Europe enroute to America on furlough. Mr. Turner is secretary of the Nanchang Y.M.C.A. Sailing at the same time are Rev. and Mrs. Egbert M. Hayes and their two daughters. Mr. Hayes is director of the department of social and religious work of the Peiping Union Medical College.

A precedent in the operation of ricshas in Shanghai was established June 21 when a contract was signed by the Shanghai-Nanking and Shanghai-Hangchow-Ningpo Railway with the San Shing Richsha Company, authorizing the latter firm to operate ricshas to attend incoming passengers at the North Station. The fares will be fixed and promulgated by both contracting parties according to districts as shown on the map of Shanghai.

E. H. Munson, National Secretary of the Y. M. C. A. for South China, after spending several weeks in Shanghai, in connection with preparations for the Youth and Religion program to be conducted by the organization throughout the country in the fall, departed this week with his wife for Yunnanfu to attend the Student Summer Conference for the region and to assist in the opening of the newly completed plant of the Yunnanfu Y.M.C.A.

The seventeen members of the Siamese Mission visited Hangchow June 20 when they were entertained by Chow Hsiang-Yen, the mayor, at a tea party. Gen. Wu Te-chen, the Mayor of Greater Shanghai, entertained the members at tiffin June 21 in the City Government building at the Civic Centre, Kiangwan. Wang Shao-lai, Chairman of the City Government Council, and Yui Ming, director of the Shanghai Office of the Ministry of Foreign Affairs, were among those present.

H. M. Gregory and F. R. Gabbott were charged at the British Police Court in Shanghai June 25 with importing diamonds into Shanghai on divers occasions up to June 17, 1936, with intent to evade paying duty to the Chinese Government. The diamonds had been brought into court on a search warrant. They were taken from a safe at 3 Rue Laguerre, where the China Diamond Cutting Works are located. The total value of the diamonds is stated to be $300,000. The Netherlands firm Langkats has made a claim for some of the property, stating that they could bring proof that the duty had been paid.

The Japanese newspapers in Shanghai June 25 printed articles asking for the release of Yuan Hsueh-yi, a Chinese reporter, allegedly with pro-Japanese tendencies, who was arrested by the Chinese authorities in Shanghai on May 20. Mr. Yuan, the Japanese papers contend, was taken into custody five days after he had made a speech at a reception given by Y. Iwai, of the Intelligence Bureau of the Japanese Consulate General. A responsible official of the City Government stated that Yuan was suspected of being a Communist and was sent to Hankow for trial together with Joseph Walden (Mr. "X"), the foreigner recently charged with doing espionage work on behalf of the Chinese communists.

Yao Zee-tsoong, former cashier of the Thomas Cook travel agency, was sentenced to three months imprisonment by the Shanghai District Court June 26 for misappropriating more than ten thousand dollars from his employers.

Chao Mei-pa, distinguished Chinese concert singer, is meeting with great success in recitals given in various cities of the United States, notably so in Baltimore, Md., where the newspapers spoke very highly of his talent. Mr. Chao received his musical training in Europe, his most effective medium being French.

The Shanghai police have started a clean-up campaign against small cigaret manufacturers, who turn out their products from cigarette butts picked up from the pavements. In the First Special District Court June 24 17 Chinese men and women were haled before the bench on a charge of infringement and tobacco tax evasion. All 17 had been arrested in the Wayside District. The evidence consisted largely of filthy tobacco, extracted from cigarette butts, a paste pot with a heavy scum over it, a large quantity of cigarettes and small, home-made contrivances for turning out the finished product. After a long hearing, the 17 prisoners were warned to go out of business and sentenced to pay a small fine each.

## $750,000 for New American Consular Building in Shanghai

The House of Representatives Appropriations Committee June 19 recommended $750,000 for the construction of a new Government building for Shanghai. The report said the building will house all of the American Government activities with the possible exception of the United States Court for China. The Committee estimated that the saving in rents would liquidate the initial cost of construction in about 25 years.

The report contained the observation that the new building would enhance the prestige of the United States Government and of the 4,000 American business men in Shanghai. The American Government is the only major power lacking a prominent building in Shanghai, the report stated. The new Government building is expected to have an enormous influence on American position in China and the Far East as it will exhibit American construction and manufacturing abilities, the importance of which cannot be over emphasized.

## Hardoon Estate to Erect Skyscraper on Hall and Holtz Site

One of the biggest building schemes to be undertaken in the Central District for many years is proposed by the Hardoon Estate, at the corner of Nanking and Szechuen Roads, on the site occupied by the Hall and Holtz department store. This property which was sold to the Hardoon Estate last year for a sum of $1,100,000 is to be developed as soon as agreement has been reached between the present owners and the Shanghai Municipal Council regarding the frontage and widening of roads. The proposed new building on this corner site will be 15 stories in height including three tower stories above the main roof. Its estimated cost will be $1,500,000. During the past few weeks Hall and Holtz have been conducting a clearance sale preparatory to removing to new premises.

## Japanese Telephone Expert Appointed to Assist in Shanghai Enquiry

Although, in replying to Japanese protests two weeks ago, the Shanghai Municipal Council took the attitude that the appointment of a British expert was sufficient for the purpose of investigating the telephone situation in Shanghai, the Council this week changed its attitude and deferred to Japanese wishes. It is confirmed that Dr. Inada, a Japanese expert, has been appointed to take part in the exammation of the position of the Shanghai Telephone Company in their request for an increase in rates. It is also reported that the number of experts, originally to have been one only (the British expert) is now to be increased to four, one Chinese and one American, to be added to Major Brown and Dr. Inada, when chosen.

## Judge Helmick to Resume Sessions of U. S. Court in North China

Judge Milton J. Helmick, accompanied by members of the staff of the U.S. Court for China, will depart from Shanghai by train June 30 for Tientsin, where a number of cases await hearing.

Among the cases to come up before the court will be that of Harry A. Raide v. the Peking Union Medical College, and Hong kong & Shanghai Banking Corporation *v.* Wulfsohn & Co., a hearing under the Bankruptcy Act. These and other cases were delayed due to the fact that Judge Helmick had to return to Shanghai in order to deal with the closing of the American-Oriental Banking Corporation and related companies.

# In the United States Court for China

POLINA KREISCHER, by the first marriage FEDOROVO born RZERBENAZE, Plaintiff,
vs.
CHARLES WALTER KREISCHER, Defendant.

Cause No. 3889
Civil No. 1824
ORDER
Filed at Shanghai, China
June 22, 1935.
William T. Collins, Clerk,
L. T. Kenake, Asst. clerk.

The object of this suit is an action for Divorce:

WHEREAS, plaintiff herein, by her attorneys, has this 22nd day of June, 1935, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 22nd day of June, 1935, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 21st day of June, 1935, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since the last five year, and that defendant's last known address was Norfolk, Virginia, U. S. A.

NOW, THEREFORE, it is this 22nd day of June, 1935, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 13th day of July, 1935, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 22nd day of June, 1935.

MILTON J. HELMICK,
*Judge.*

# NOTICE.

The public is hereby notified that Mr. Barend Frederick Burger severed his connection with the Chinese Maritime Customs on the 7th June, 1935, on which date the Certificate of Authority issued to him by the Customs and not returned to this office was automatically cancelled.

W. T. B. TERRY,
Deputy Coast Inspector
for Coast Inspector.

The Maritime Customs,
Marine Department,
Coast Inspector's Office,
Shanghai, 25th June, 1935.

# Celestial Mooncalf: A Review of the Concluding Volume* of Mrs. Buck's "House of Earth"

BY WILBUR BURTON

IN so far as China is concerned, Mrs. Buck's work is now virtually ended with the publication of the last volume of her magnificent triology that started with "The Good Earth" in 1931, for recent announcements indicate that she not only plans to remain in the United States in the future, but to confine her writings to the American scene. Presumably, however, she will continue her present connection with *Asia*.

Besides the triology—"The Good Earth," "Sons," and "A House Divided"—Mrs. Buck has written three other books with China as their theme. Her first, "East Wind: West Wind," I have not read and so cannot comment upon except to say that various reviews of it indicate it was a very commendable first novel. "All Men Are Brothers" is a translation from the Chinese of a pageant of folk-heroes, and is very good if one likes that sort of thing—which I don't, whether out of the East or out of the West. "The Young Revolutionist" rates near the top of the most terrible tripe that has ever been written, and its unfortunate appearance can only be rationally explained by supposing that Mrs. Buck was trying to placate some of her missionary acquaintances who had been horrified by her frank and honest portrayal of the sexual life of Wang Lung.

But the third book outside the triology—"The Mother,"—and the triology, are, I think, despite some uneveness in quality and their atrociously archaic, semi-Biblical style, among the finest works of literature of our time. Beyond doubt they are more revealing of China than anything else that has ever appeared in the English language excepting Malraux's "Man's Fate;" and while only time can definitely decide which of the novels of today will be the classics of tomorrow, it seems to me that they will eventually be accorded an extremely high permanent place in the literary annals of the twentieth century.

There are many triologies, or similar fictional series, to compete with Mrs. Buck's, but in my opinion the competition is not keen. I frankly confess I have never been able to read Galsworthy's "Forsyte Saga," and one volume of Rolland's Jean Christophe series more than sufficed,—and I know of no other serial works with which Mrs. Buck's could be compared save possibly Proust's. But Proust is so introverted while Mrs. Buck is so extroverted that their writings bear about the same relation to each other as metaphysics to sociology. Perhaps these opinions are unpardonable literary blasphemies for which I will be consigned to the depths of Acheron, but so be it. . . . . .

If the professors of 2035 do elevate Mrs. Buck to that pinnacle of Parnassus I have reserved for her, the phenomenon will be uniquely intriguing in at least two respects. Whereas most authors of classics have received little popular recognition and less cash for their efforts during their lifetime, Mrs. Buck has been one of the most widely read and financially successful authors of her generation. The Pulitzer prize-winning "Good Earth" was a veritable silver-mine despite the depression,—and everyone should know what a silver-mine means under the egis of Senator Pittman and Roosevelt II. Now the complete triology has been issued in one volume under the title of "House of Earth" by the American Book-of-the-Month Club, and almost 50,000 copies have already been distributed.

Further, Mrs. Buck's work may be said to represent the flowering (and in some measure the justification) of almost a century of Protestant missionary work in China, for without her missionary background it is doubtful if any English-language writer could have probed the soul of China's dumb masses to write as she has. Certainly the combination of Christian humility with which she was imbued and the intimate contact with lowly Chinese that came about through mission life accomplished something no other foreigner could hardly hope to achieve, not any educated Chinese either so long as the present incredible gulf exists between the intelligentsia and the illiterate (which is at least 97% of the population) of the land. But despite the cultural crown she has bestowed upon the group from when she sprang—despite even the sop thrown to them in the form of "The Young Revolutionist,"—Mrs. Buck's writings have been far from required reading in most missionary circles, and her own (Presbyterian) church has virtually disowned her!

From the strictly literary viewpoint, "The Good Earth" and "Sons" are the best volumes of the triology; save for their style, it seems to me they are quite perfect. Compared with them, "A House Divided" leaves much to be desired, and it is also inferior to "The Mother." But in many ways, "A House Divided" should be more grippingly interesting to foreigners in both the West and the China Treaty Ports than her previous works, for it deals largely with the Westernized or semi-Westernized types of Chinese with whom Westerners come most into contact.

In development of theme, the whole triology is superb. In "The Good Earth," a poor peasant, Wang Lung, obtains riches through lucky looting in a civil war and founds a House. "Sons" deal with his wealthy heirs, one of whom becomes a warlord, Wang the Tiger. And the chief character of "A House Divided" is Wang Yuan, son of Wang the Tiger, who goes to America for an education along with a cousin. While such a course of evolution is far from typical of the lot of China's poverty-wracked millions, it is nevertheless convincing and revealing exceptionalism, nor does Mrs. Buck ever forget to make mordantly clear the miserable fate of the masses in contrast to the material good fortune of her principal characters.

In "A House Divided" she emphasizes something that will doubtless greatly pain the chauvinists: the intense satisfaction of the wealthy Wangs in the *foreign* protection Shanghai afforded them against their own people. Yet nothing could be more true of modern China.

One incident in Nanking (after the formation of the present government there) is so illuminating that it is almost blinding. The revolutionary Meng, a cousin of Wang Yuan, has risen to be an army captain in the new government, but is nevertheless still anti-foreign, and one night he seeks to defend a rickshaw coolie against a drunken foreign sailor. Yuan instead gives the coolie a coin,—which is all the satisfaction required. This so disgusts and infuriates Meng that he then hits the coolie. The coolie remarks, "It was a harder blow than any the foreigner gave me; Meng mutters, "What is the use of fighting in any cause for people like these, who will not even hate the ones who oppress them—a little money sets everything rights for such as these....." Later Meng deserts Nanking to join the Red Armies.

Class, family and social relations generally in modern China, especially the shame felt by the Westernized over the spectacle of degrading and hopeless poverty and certain native *mores*, are sketched admirably by Mrs. Buck, but she does not make as plain as she might that even the best of the modern group are (in a phrase I borrow from somewhere) willing to do everything for the poor except get off their necks. However, she has Meng say when he was still loyal to Nanking: ". . . the chief hindrance against all we do is these very poor for whom we do it. There are too many. Who can teach them anything? There is no hope for them. So I say, let famine take them and flood and war. Let us keep only their children and shape them in the ways of revolution." Which is, indeed, a most intriguing attitude!

The chief defects of "A House Divided" are a certain superficiality in dealing with the Westernized bourgeoisie of Shanghai, and the unconvincing character of Wang Yuan. Quite obviously, Mrs. Buck does not know either Shanghai Chinese bourgeois life or the Westernized intelligentsia nearly as well as she knows the bucolic scene and the peasants.

Wang Yuan is portrayed as a mooncalf almost in the Floyd Dell tradition; but whereas Dell's mooncalf succumbed to Bohemian love, Wang Yuan remains a virgin throughout the book despite the charmingly seductive efforts of both a revolutionary schoolmate in Shanghai and an American girl. There were also some less vividly described invitations, likewise refused,—all of which assuredly does not ring true. For there is nothing in Chinese tradition in so far as men are concerned to develop those neuroses which are responsible for Western mooncalves, and it is made clear that Wang Yuan was never influenced by Christianity.

So psychologically, both in theory and from fairly extensive observation, Wang Yuan is very unreal. Some of his more superficial reactions, such as his exaggerated chauvinism—a distinctly defense mechanism—in his American student days, and his reflections about a kindly, educated American woman who wanted to convert him to Christianity, are convincing enough.

The latter, in fact, are finely presented. "Temples in his own land he had seen often, but they were for the common and the unlearned, and for women, and he had never worshipped any god in his life." Later, when the woman told him of Easter, he asked her daughter, "Does she believe the tales she tells of rising from the dead? We have these stories but they are not believed often, even by women if they are learned."

As in all her books, Mrs. Buck is unnecessasily and annoyingly vague about time and place. Her novels are definitely collated with the modern history of China, but she seems to go out of her way to obscure this fact. A reader who is familiar with China can follow her fairly well, but she would be clearer to everyone if she were more specific. It takes her many pages to

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**A House Divided, by Pearl S. Buck; published by Methuen & Co. Ltd., London, 375 pages; price, $4.25 (Shanghai currency).*

admit Wang Yuan was in America, and I don't recall that Shanghai is ever definitely named.

Also, in "A House Divided" her previously mentioned abominable style reaches its *reductio ad absurdum* when she is forced to juxtapose it to some plain American speech.

But neither her style nor the unreality of Wang Yuan can minify the fundamental excellence of "A House Divided," for in the main it completes in convincing fashion that stark and unforgettable picture of present-day China that was begun in "The Good Earth" and continued in "Sons." And taken as a whole, I think the triology is one of the most exquisitely realistic masterpeices that has ever been wrought about any land.

## "Five Thousand New Answers to Questions"

The book with the above title, (500 pages) by Frederick J. Haskin, is replete with matter of a popular kind, most of which the reader will be surprised to find out that he doesn't know. The subjects treated of range all the way from advertising to the White House. The character of the questions will be best understood by a few examples:

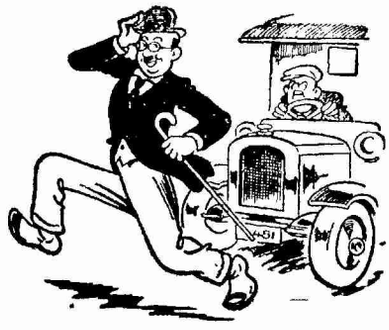
"What percentage of opium does lettuce contain?

"What bridge was it that had to the rebuilt because of the defective wire in the cables?

"When was the first exhibition fitted out to find the Northwest passage?

"If a man has been in the United States for 20 years does he automatically become a citizen?

The publishers of "Five Thousand New Answers to Questions" are Grosset & Dunlap, New York.

**Don't Take Risks!**

Don't take risks where your health is concerned; be ready to correct any health irregularity at the first sign. Constipation is one of the greatest menaces to good health. In the congested food tract poisons are set up which become absorbed into the blood stream, lowering your vitality, causing loss of energy and appetite, headaches, and other troubles.

An occasional dose of Pinkettes will dispel constipation and keep you healthy. Mild in action, these dainty laxative pills gently assist nature to ensure the daily elimination. They liven up the liver, banish biliousness, sweeten the breath, clear the skin, relieve piles.

Pinkettes are laxative perfection. Sold by chemists everywhere.

**A.B.C. PRESS, SHANGHAI**
**Printing**
**in all its Branches**

Your work should bear our imprint


**The National City Bank of New York, Rates of Exchange**

Shanghai, June 26, 1935

| | |
|---|---|
| Demand selling rate on America: | U.S.$1.00=Sh. $ 2.56 |
| Demand buying rate on America: | U.S.$1.00=Sh. $ 2.53 |
| Demand selling rate on London: | £1.0.0=Sh. $12.67 |
| Demand buying rate on London: | £1.0.0=Sh. $12.50 |

# In the United States Court for China

| | |
|---|---|
| In re. LAST WILL AND TESTAMENT of JAMES RICHARD WILKINSON Deceased | Cause No. 3886<br>S. P. No. 1024<br>NOTICE<br>Filed at Shanghai, China June 19, 1935.<br>William T. Collins, Clerk of the United States Court for China<br>L. T. Kenake, Asst. Clerk. |

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JAMES RICHARD WILKINSON, deceased, to present the same with vouchers to the undersigned on or before December 22, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

ANNIE B. WILKINSON
Wilkinson Hospital,
Soochow, China.

Shanghai, China
June 19, 1935.

# In the United States Court for China

| | |
|---|---|
| In re. Estate of ANNA KRATZER, Deceased | Cause No. 3890<br>Special Proceedings No. 1025.<br>NOTICE<br>Filed at Shanghai, China, June 24, 1935.<br>William T. Collins, Clerk. |

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of ANNA KRATZER, deceased, to present the same with vouchers to the undersigned on or before December 29, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

HERBERT M. GRIFFIN,
Special Administrator,
c/o China Inland Mission,
Shanghai, China.

Shanghai, China.

## Share-the-Wealth Plan of Roosevelt to Be Pushed in Present Congress

After a three-hour conference in Washington June 24 between Senate and House of Representatives leaders, it was announced that it had been agreed that Mr. Roosevelt's re-distribution of wealth plan would be pushed through Congress this session. Present indications are that Congress may be kept in session all summer.

Harry Hopkins, Federal Relief Administrator, announced June 10 that he felt job relief in the United States would be replaced by a dole by October 1.

**President Roosevelt Urges Heavier Taxes on Rich, So as to Avoid Social Unrest**

President Roosevelt in a special message June 19 called for Congress to impose heavier taxes on individuals and corporations of great wealth. He said: "Social unrest in the United States is deepening; the people know that vast personal incomes arise not only through ability or luck but also because of opportunities to which the Government contributes." The President's tax proposals threw Congress into utter confusion.

**Growth of Radicalism in United States**

Extract from "Washington Merry Go Round":—The conclusion of Harry Hopkins' F.E.R.A. workers is emphatically to the effect that radicalism has won an army of converts during the depression and that a large number of the 17 per cent of the population now on relief would rebel if funds were withdrawn.

**Huge Additions to U.S. Civilian Conservation Corps**

Enrollment of men to bring the Civilian Conservation Corps to 600,000 men began June 15 and will be completed August 31. Officials estimated that 350,000 men will be enrolled, including replacements for some of the previously authorized strength of 353,000.

**U. S. Senate Passes Bankhead Farm Bill**

The U.S. Senate June 24 passed the Bankhead Farm Tenant Bill. The measure provides for the creation of a farm home corporation with authority to issue $1,000,000,000 of bonds for long-term loans, with a view to making independent farmers from tenants and share-croppers in the cotton belt.

**Western Electric Co. Will Redeem Entire Funded Debt**

It was announced from New York, June 21, that the Western Electric Company will redeem, on October 1, its entire funded debt consisting of $35,000,000 five per cent debentures maturing in 1944.

**Foreign Trade Convention to Meet at Houston, Texas**

The twenty-second National Foreign Trade Council (U.S.A.) will be held at Houston, Texas, November 18, 19 and 20. America's cotton problems will engage the special attention of the convention. The American Bankers' Convention will meet in New Orleans, November 11 to 14.

**New York "Nation" Sold by Villard to International Banker**

The *Nation* published in New York, oldest American weekly journal of opinion and organ of militant liberalism, has been sold by Oswald Garrison Villard to Maurice Wertheim, international banker who has established an independent foundation to assure perpetuation of the magazine. The journal will continue to be published by the present staff.

**Germany Will Not Pay Debts to United States**

Owing to the fact that "Germany's foreign exchange situation, instead of improving, got still worse," Dr. Schacht, acting minister for economic affairs, has declared a complete moratorium for a year. from July 1, on all maturities arising from medium and long term obligations to the United States and other nations with which no clearing agreement has been made.

## New York Guaranty Trust Vice-President Takes Chair Vacated by Donald Richberg

A new "stop gap" N.R.A. was formally organized by President Roosevelt in an Executive Order June 16 naming James O'Neill, one of the Vice-Presidents of the Guaranty Trust Company of New York, as acting administrator in sucession to Donald Richberg, whose resignation took effect that date.

## Nanking Authorities Keep Famine Sufferers Out of City

The political and military authorities at Nanking have received orders from the Executive Yuan and Military Affairs Council to keep famine sufferers from begging for food in the capital.

**Drought Reported in Many Parts of North China**

A protracted drought in Shantung is sweeping a total of 42 districts in the province, including Tsinan.

Advices from Shensi, Anhwei, Chahar, Fukien and Hunan Provinces report continuance of the drought. In Honan Province, Lin Cheng Hsien has had no rain since last year and the windstorm this spring destroyed all the crops in the fields. In Teng Foong Hsien, no hope is entertained for the wheat crops as they were destroyed by a heavy windstorm recently. In Kiangsu Province, more than 100,000 people have been affected by the prolonged drought and windstrom.

In order to avoid aggravation of the drought situation in Shantung province, a Drought Prevention Committee has been created under the auspices of the Provincial Department of Reconstruction.

**Yellow River Rises—Bursts Embankments at Lanchow**

As a result of the rapid rise of the Yellow River due to heavy rainfall last week, a portion of its embankments in the Peimenwan Area near Lanchow has been breached. Frantic efforts are being made by the Provincial Authorities to prevent the situation becoming worse.

## Nippon Dempo Will Resist Amalgamation Unless Forced by Economic Pressure

A Washington telegram to *Editor and Publisher* in commenting on a statement by Ambassador Saito that the proposed merger of news agencies in Japan was not a move for news control by the Japanese government, said that *Rengo*, which serves the *Associated Press*, has been an unprofitable venture, upon whose misfortune the Foreign Minister would like to profit. A retired diplomat, according to a *Chicago Tribune* Press Service, will be president, indicating the close connection with the foreign office. Although some announcements spoke of the new agency as a merger, it is known that *Nippon Dempo*, a commercial agency serving the *United Press*, is not amenable to such a plan and will resist until forced into submission by economic pressure. These sources say that suspicion is rife in Japan that the government has in mind a great exchange of news with broadcasting chains abroad, although American newscasting groups have not been approached for a reciprocal short wave exchange of news between America and Japan.

The latest advices from Japan indicated that *Nippon Dempo* would be squelched. The *Teito Nichi Nichi* laconically commented:—"In case *Nippon Dempo* yields, it will take the form of happy dissolution."

## Japanese Police in Shanghai Arrest Alleged Gold Smugglers

Three months ago a chauffeur in Kobe was rewarded with $450 for taking to the police station $10,000 which a passenger left in his car. Several days ago in Shanghai, the passenger and four other Japanese were arrested by the Japanese Consular Police for alleged gold-smuggling. Japanese police effected a raid on a house in Wuchow Road and arrested a man who gave his name as Matsubara, believed to be an alias of the passenger who rewarded the Japanese driver's honesty. Four other Japanese were taken with him. Suspicions of the Kobe police were aroused by the generosity of the reward. Two representatives of the Japanese authorities came to Shanghai recently in order to keep in close contact with their suspect. Their investigations are said to have uncovered gold-smuggling operations from Japan on a huge scale, leading to the raid on Wuchow Road, and the subsequent arrest of the five men.

## Gen. Han Fu-chu Asks Families of Mine Victims to Accept Offered Compensation

General Han Fu-chu, Chairman of the Shantung Provincial Government, and the Japanese Consul-General of Tsinan visited Tzechwan, June 10, for a personal investigation of the mines, where the flooding of the shafts resulted in the deaths of more than 800 miners. General Han received 500 members of the families of the deceased miners and persuaded them to accept compensation amounting to $330 for each family, which the Sino-Japanese management has promised to distribute.

Three new pits which are being opened by the Lu Ta Coal Mining Company in Tzechwan, northeastern Shantung, are expected to be producing coal early next month. An output of 2,300 tons daily is counted on by September.

## Hongkong Will Recognize Chinese Marine Officers' Certificates from July 1

From July 1 certificates issued by competent Chinese authorities to mercantile marine officers and engineers will be accepted by the Government of Hongkong as equivlent to those issued by its own authorities, Dr. Kan Chio-hou, Special Delegate of the Ministry of Foreign Affairs, announced in Canton June 16.